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CHINA REPORT
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REFORMS OF SUPPLY, MARKETING COOPERATIVES

HK161204 Beijing ZHONGGUO JINGJI WENTI in Chinese No 4, 20 Jul 83 pp 19-24

[Article by Xie Youquan [6200 0147 2938]: "A Brief Discussion on the Reform in the System of Supply and Marketing Cooperatives"]

[Text] The central core of the reform in the system of supply and marketing cooperatives lies in the restoration of the system's cooperative commercial system. Questions such as why the supply and marketing cooperatives should be reformed as cooperative businesses, what kind of ownership does a cooperative business fall under, and how the supply and marketing cooperatives can play their role of promoting and guiding production even better after reform are all worth closer examination. This article intends to take a look at several views on these questions and, should anyone feel that they disagree at any time, please do not hesitate to say so.

1. The Outstanding Tradition of China's Supply and Marketing Cooperatives and the Twists and Turns in Their Development

Looking back over the history of China's supply and marketing cooperatives, not only have they provided us today with valuable experiences for the organization of cooperative businesses, they have also allowed us to gain new insight into why it is necessary today to alter the cooperative commercial nature of the supply and marketing cooperatives.

Back during the period of the democratic revolution, China's supply and marketing cooperatives emerged on a revolutionary basis. Although conditions at that time were extremely difficult and there were enormous shortages of goods and materials, China's supply and marketing cooperatives, being organized under the guidance of Marxist theories of cooperative systems and adopting "serving the masses" and "putting the masses' interests first" ("Discussion of Cooperatives," from "Collected Works of Mao Zedong," Dungei Shudian 1948) as their guiding ideologies, not only became collective economic organizations for the masses during every revolutionary period, they also acted as important tools in smashing enemy economic blockades and in struggling against the enemy, being important means of supporting production and relieving the hardships of the people. As for the Chinese Soviet area during the agrarian revolutionary war, around 3 million tons of unhusked rice and millet were

exported from the region every year to the white area while, in return, around 15 million yuan in salt, cloth, and other necessities entered the region. At the very beginning, all this business was carried out privately, with those involved taking advantage of other people's precarious situations, buying cheaply and selling at high prices, thereby making astronomical profits from the transactions. After the setting up of cooperative businesses, not only was the intermediate exploitation of the peasants by the businessmen eradicated, it also meant that the masses received material benefits in the form of genuine goods at fair prices and preferential policies. The most successfully organized cooperative business were in Changgang County, Xingguo Prefecture, Jiangxi Province, and Caixi County, Shanghang Prefecture, Fujian Province, and the success of these cooperatives won the confidence and support of the masses and were referred to by the masses as "cooperatives--the best." (Mao Zedong: "Investigation of Caixi County" and "Investigation of Villages," Xinhua Shidian 1949) The experiences of Changgang County and Caixi County in organizing and running cooperatives were very valuable and may be summarized in the following four major areas: 1) The upholding of the principle of democratic organization of the cooperatives. The cooperatives had management committees, investigative committees, and cooperative members' assemblies. Those in charge of the management committees and the investigative committees were elected democratically by the cooperative members. The cooperative members' assembly took place at appointed times every year, and cooperative responsible parties reported back to the cooperative masses on the work of the cooperative, making public the cooperatives' accounts and listening to the criticisms and opinions of the masses, and in this way determined the work tasks of the cooperative. 2) Implementation of the policy of better staff and simpler administration. The organizational structure of the cooperatives aimed toward simplicity and high efficiency. Workers often had more than one job, sometimes being both shop employees and purchasing agents. They often guided the masses through extreme dangers, crossing enemy lines and ingeniously using all sorts of methods to get salt, cloth, and medicine back from the white area to the Chinese Soviet area, and often the number of products they were handling amounted to more than 50. Regardless of the dangerous conditions and the shortages of goods and materials, they maintained uninterrupted supplies of daily necessities for the masses. 3) Special treatment for cooperative members and families of the Red Army. When the masses bought goods from the cooperatives, the prices were much lower than market prices. Apart from special purchasing privileges for cooperative members and families of the Red Army, products were sold on the basis of production costs. The cooperatives were concerned in all respects with the welfare of the masses; hence, this greatly improved the centripetal force of cooperative members toward the cooperative. 4) Active support for production. Before the busy farming seasons, the cooperatives organized the local carpenters and blacksmiths to produce plows, sickles, hoes, and tools for weaving baskets and making small repairs and so on, and in this way the supply of the means of production was organized before production began. At the same time, the masses were encouraged to do things simply and thriftily, making do wherever possible, drawing on local materials, building their own factories such as nitrate factories, cloth weaving factories, camphor factories, sugar factories, and so on, as well as buying the raw materials for these factories and marketing the

finished products, and in this way effectively smashed the enemy's economic blockades against the bases.

Comrade Mao Zedong praised the cooperatives in Changgang County and the ones mentioned above, calling them "pioneer cooperatives throughout the county," and made the call that "every county and every district must learn from the consumer cooperatives of Changgang and the others." (Mao Zedong: "Investigation of Changgang County" and "Investigation of Villages," Xinhua Shudian 1949) By the time of the war of resistance against Japanese aggression, the scale and services of the cooperative businesses had greatly increased. At that time, the border regions of Shaanxi, Gansu, and Ningxia were home to a very famous and successful southern region consumer cooperative, which had developed from being a small consumer cooperative to 18 management units and which had developed from specialized consumer business to organizing supplies, marketing, transportation, and even credit facilities for the entire county. In 1943 alone, the cooperative managed to save and receive as income for the local population as much as 50 million yuan (border region currency). This cooperative was not formalist and did not get caught in a rut by sticking to conventions; instead, it steadfastly kept to its principle of facing the masses and working for the benefit of the people and acting as a bridge between the people and the government. For this reason the cooperative gained Mao Zedong's high esteem when he wrote "the road that the southern region cooperative has taken is the road of the border region cooperatives. The cooperative movement to develop cooperatives in the style of the southern region cooperative is one of the important pieces of work involved in developing the national economy of the peoples of the border regions." ("Economic and Financial Questions," from "Selected Works of Mao Zedong," Dongbei Shudian, 1948) In conclusion, although the supply and marketing cooperatives in the revolutionary bases at that time were only very young and their management conditions were extremely hard, the cooperatives nevertheless managed through their own practical management experience to [word indistinct] many experiences, especially experiences in upholding democratic management of the cooperatives and working for the benefit of the masses. These cooperatives laid very good foundations for the later establishment and development of cooperative business after liberation.

After the liberation of the entire country and under the guidance of the party and the government, supply and marketing cooperatives continued and developed the glorious traditions which began among the revolutionary bases and cooperatives were quickly established in rural villages throughout the country. In 1950, the Chinese national united general cooperative was established and various democratic management systems were drawn up while principles were laid down which stated that upper-level cooperatives should serve the lower-level cooperatives and that grassroots cooperatives should serve the people. At that time, supply and marketing cooperatives took in new members every year and every year the cooperatives had to absorb new capital, reorganize shares, taking in new shares, and divide up dividends, and had to have regular cooperative members' representative meetings, directors meetings, and monitoring meetings while undergoing the surveillance of the masses. Leadership groups and the actual leaders of the supply and marketing cooperatives were all elected democratically by the cooperative members' representative committee

and all major problems and questions relevant to the cooperative had to be decided after discussion at the cooperative committee or the cooperative members' representative committee. The supply and marketing cooperatives served a dual capacity, first being responsible for state distribution and also running things for the peasants. In addition, they had to organize purchasing and marketing. Thus, their management styles were very diversified and lively, fully embodying organization of a mass nature, while in terms of management they reflected democracy and vitality. The supply and marketing cooperatives were located among a wide number of villages and were characterized by being many in number, well-informed, and efficient, unlike any other kind of businesses, thus making them irreplaceable. Because of this, the supply and marketing cooperatives developed very fast. By 1955, the number of cooperative commercial organizations had reached 236,000, a five-fold increase over 1950. In terms of employees, the figures rose to 1,101,000 people, an increase of more than six fold over 1950. However, the road forward was not always very straight and in the course of their development, supply and marketing cooperatives also travelled a torturous road. They were nationalized in 1958 and collectivized in 1962. In 1970 they were nationalized once again in 1975 they were once again collectivized. In 1978 it was once again announced that they were under the ownership of all the people. This pendulum-like change in the structure of the cooperatives was not only bad for the consolidated development of the supply and marketing cooperatives, in addition, this chopping and changing also illustrated that the nationalization of the cooperatives was not in line with the objective reality of China's rural areas. First, this was because China's agriculture is basically collectively run and production operation is still mainly dependent on manual operation, is still on a small scale, and is still very decentralized. Thus, in order to satisfy the demands for purchasing and selling of the masses, it is necessary to buy up the various agricultural byproducts from among the hundreds and thousands of decentralized farming families. As a consequence, it is also necessary to establish rural business networks all over the place and to send down to the countryside all the necessary consumer products needed by the peasants as well as the agricultural means of production. Obviously this task can only be successfully carried out by supply and marketing cooperative businesses which fully understand local agricultural production conditions and which have solid bases among the masses. Even today the peasant masses, especially those living in remote or mountainous regions, remember with delight the former great tradition of the supply and marketing cooperatives' workers in sending goods to the countryside and calling at people's houses to buy things. Because they did things in this way and satisfied the purchasing and selling demands of the peasant masses, it meant that they gained an enormous amount of production work time, and this corresponded with the objective conditions of the rural productive forces at that time. Second, after the nationalization of the supply and marketing cooperatives, the system of being solely responsible for losses and gains was altered to a system of shared responsibility. As a consequence, the workers found themselves "eating from the large rice bowl" and receiving state wages, and they were no longer so closely linked to the interests of the peasants. Agricultural byproducts for purchasing could not be bought up so quickly, and in some regions situations even arose where purchases were rejected and prices were forced down. Thus, the masses gradually grew indifferent toward the system. The industrial products sent to the countryside were often unsuitable, and the peasants were

unable to buy what they needed with their money. In particular, those commodities which were in short supply, were often held up level by level, thus affecting the supply in the countryside. As a result, the policy that priority should be given to the countryside in the supply of the industrial products, which are needed both in the cities and the countryside, was not put into effect. In 1956, Comrade Chen Yun said in his speech "Carry Out Commercial Work Well:" "In commercial and business work there is a tendency to divorce things from the masses. This tendency used to exist during the time of nationalized commerce and cooperative business and private business. Today it is not as evident as before. Today all the markets have been unified and the purchasing and marketing of all products is managed solely by socialist commerce. If we do not improve our work methods, then there is a danger that things will become seriously divorced from the masses.... We are both officials and businessmen and the people are unlikely to stand against us." Although this speech was given in view of the situation at that time, it still has up-to-date significance for us today in our reforms of the supply and marketing cooperative system and our organization of commercial and business work. Third, after the nationalization of supply and marketing cooperatives, the number of workers greatly increased. As a consequence, circulation cost expenditures increased as well and, hence, management and administration were no longer as thrifty and economical as during the time of cooperative business. In addition, after the restoration of the cooperative commercial nature of supply and marketing cooperatives, any implementation of the comprehensive management of agriculture, industry, and commerce will undoubtedly be of benefit to collective fund accumulation. When a large amount of collective funds are accumulated, production develops, and this is good for the state. Fourth, after the nationalization of the supply and marketing cooperatives and the system of ownership by all the people was brought directly into rural business, the supply and marketing cooperatives found their hands and feet bound and thus were unable to develop purchasing and marketing activities. As a consequence, they let go their hold on the interests of the people. As a result, the establishment of a commodity circulation system which corresponded to the rural production system and the restoration of a rural cooperative system directly linked to the interests of the peasants became the peasants' fierce demand. Fifth, after the nationalization of the supply and marketing cooperatives, their independence gradually weakened. However, this did not mean that the peasants no longer had any rights of surveillance over and rights to speak up about the supply and marketing cooperatives. Indeed, the supply and marketing cooperatives in some regions even had to seek the ratification of the local communes if they wanted to sell certain products in short supply, and it sometimes occurred that levies were imposed and people were transferred as a result. Such beliefs that there was no necessary link between the "official/businessman" style of work and "nationalization" grew up as a result of the system of "independent management" and "the large rice bowl." The restoration of the cooperative business system for supply and marketing cooperatives and the development of the outstanding tradition of cooperative business will undoubtedly be of benefit in solving this problem.

Above we have listed the various problems which emerged after the nationalization of the supply and marketing cooperatives. This serves to illustrate how nationalized supply and marketing cooperatives are not suited to the actual

situation in China's present rural communities. This does not mean that collective ownership is better than ownership by all the people. In terms of public ownership, the system of ownership by all the people is undoubtedly on a higher level than collective ownership, but we are looking at what economic components and commercial styles are the best and most suitable; we are not looking at the standard of each one in terms of systems of ownership. Instead, what we are doing is seeing whether or not they are able to promote the development of the productive forces. If changes in the production relations do not correspond with the standard or level of the productive forces, thus causing an increase in the extent of public ownership, the result can only be that things will be spoiled as a result of excessive enthusiasm for public ownership.

Naturally, when we say this we are in no way denying the enormous achievements gained by the supply and marketing cooperatives in the 30 years since liberation. The main reasons for the bumpy passages in their development are "leftist" guiding ideologies as well as insufficient understanding of the theories of the Marxist cooperative system.

2. The Original Appearance of the Restoration of the Cooperative Commercial Nature of Supply and Marketing Cooperatives

The decisions of the two documents concerning the restoration of the cooperative commercial nature of supply and marketing cooperatives, published by the central authorities, correspond to the demands of the development of the productive forces and thus have been warmly endorsed by the peasant masses. However, following the restoration of the cooperative commercial nature of the supply and marketing cooperatives, questions of property and funds have emerged. Some comrades feel that while the funds and property of supply and marketing cooperatives were originally raised by the peasants, in the meantime there has been state support and protection and, furthermore, a great deal has been amassed over the years of state management. As a result, the nature of the ownership of supply and marketing cooperatives after restoration is both collective and public. The cooperatives' "dual capacity," namely, as the grass root organization of state commerce and also as the peasants' own trade organization, means that the cooperatives fall under "half official, half civil" or "both official and civil" categorization. Viewed simply in terms of the ownership of funds and property, this view does not appear to be without reason, but analyzed in terms of the cooperatives' cooperative commercial nature after restoration, this is not the case. I believe that the supply and marketing cooperatives after restoration of their cooperative commercial nature do still, in principle, fall under collective ownership. The reason for this is that the support and protection provided to the people by the state is in itself a fundamental principle for the organization and construction of the cooperative. In his work "Discussion of the Cooperative System," Lenin wrote: "In terms of policies, we should handle cooperatives in the following way: Ensure not only that they generally and normally enjoy certain privileges but, in addition, ensure that these privileges become privileges related purely to capital and goods or assets (such as bank interest rates and so on). State-funded loans to cooperatives...are the same as those allocated to heavy industry and so on." ("Selected Works of Lenin,"

vol 4, p 683) Comrade Mao Zedong said: "During the process of agricultural cooperativization, the state should provide the peasants with necessary financial aid." ("Cooperatives Can Resolve Production Funds Alone"--article based on the spoken word) Thus, China's supply and marketing cooperatives were set up in accordance with these words, with the funds provided initially by the peasants and with support provided by the state. As early as 1931 the "draft resolution concerning economic policies" drawn up by the first national representative meeting of the Chinese industrial and agricultural soviet state that "the soviet should provide cooperatives with financial aid and tax relief, the soviet should turn over to the cooperatives for their own use a certain proportion of unallocated rooms and shops." After the founding of new China, the support and aid provided by the state for cooperatives did of course increase even more. Apart from aid and support in the form of land and room space, the state also provided the cooperatives with a great deal of funds. Thus, of the funds in the possession of the supply and marketing cooperatives after the restoration of the cooperative commercial aspect, a certain proportion belongs to the state and it should be seen as a long-term, interest-free loan from the state to the cooperative. Recently, documents from the central authorities have stated that that portion of funds which belongs to the state is for non-repayable use by the cooperatives. I believe that this kind of long-term, non-repayable usage represents the enormous financial support that the state has given to the cooperatives. Thus, the above-mentioned comrades who view the state's funds in the possession of the cooperatives for long-term, non-repayable use as funds under ownership by all the people are very clearly mistaken. If this kind of view could become established, then there would no longer be a problem of the so-called "long-term, non-repayable use." The head of the Ministry of Trade, Liu Ui, was correct when he said that the cooperatives' "funds and property began with investments by the peasants and were protected by the state. The most fundamental thing of all is the fruits of enterprise management because the peasants' shares have been divided and shared out, the state's investment has been repayed, and the workers' labors have been remunerated. Thus, the funds and property should be seen as social accumulation of a socialist nature, necessary for the expansion of rural commodity circulation which will, in the future, gradually increase." Thus, the fruits of enterprise management should fall under the ownership of the supply and marketing cooperatives after the restoration of the cooperative commercial style, for since there has been no change in the system or the set-up, this portion of social accumulation did originally fall under the collective ownership of the supply and marketing cooperatives. Admittedly, after the nationalization of the supply and marketing cooperatives, on the one hand, the state's investments grew and the proportion of state workers increased, while on the other, the amount of enterprise profits to be handed over to the authorities also increased and these facts accomplish could only be handled appropriately on the basis of the state's policies and regulations. It should be pointed out that after the restoration of the cooperative commercial nature to supply and marketing cooperatives, the proportion of their funds that they own themselves will constantly increase since the peasants' incomes will increase as the collective agricultural economy develops and, thus, the villages' idle capital will also increase, becoming one of the most important sources for future expansion of the scale and facilities of the supply and marketing cooperatives. Works in the supply and marketing cooperatives will in the future also be drawn increasingly from among the peasants

and, thus, the proportion of village workers will constantly increase. As a result, the hiring system will gradually replace the allocation system on the basis of the labor personnel system, and this is in line with the cooperative economic nature of enterprise. Thus, looking at the cooperative commercial nature of supply and marketing cooperatives after restoration, they do in principle still fall under socialist collective ownership.

Once again it must be said that China's supply and marketing cooperatives were originally cooperative economies under collective ownership, collective commercial enterprises organized by cooperative members themselves. In 1951 "the CPC Central Committee resolutions concerning the development of agricultural production cooperatives" stated that "the three styles of rural cooperativization are mutual cooperation in rural production, rural supply and marketing cooperation, and rural credit cooperation." In 1962 the "CPC Central Committee resolutions concerning the question of commerce" reaffirmed that supply and marketing cooperatives were a part of the socialist collective economy. In 1982, article 1, paragraph 8 of the new Chinese constitution stated that "rural people's communes, agricultural production cooperatives, and other styles of cooperative economy involving production, supply and marketing, credit and consumption are all part of the socialist labor collective economy." Since we have now admitted the necessity and accuracy of restoring the cooperative commercial nature of supply and marketing cooperatives, this word "restoration" thus implies the restoration of the original great tradition of the supply and marketing cooperatives and the restoration of their original appearance as collectively-owned economies. Of course, in conceptual terms "cooperative economy" is not the same thing as collectively-owned economy, but as far as China's agricultural cooperative economies and supply and marketing cooperative economies are concerned, they have always been of a collectively-owned nature. This is not the result of people's subjective wishes; rather, it has been determined by objective economic conditions. To say that "cooperation" implies the cooperation of the state and the peasants and that in the future supply and marketing cooperatives will be "half official, half civil" or "both official and civil" economic organizations does not only not correspond with the meaning behind the word "restoration," in addition, it does not correspond with the aim and purpose of the reforms in the system of supply and marketing cooperatives. Furthermore, even if supply and marketing cooperatives were called "half official, half civil" or "both official and civil" economic organizations, the name would not really match the truth of the situation and there would be no essential change over the state-run situation before restoration. Some comrades say that our supply and marketing cooperatives have always been "both official and civil" economic organizations in that there are factors run by civilians and other factors run by officials or the government. Obviously this is classifying the state's support and care in terms of finance, materials, and manpower for the supply and marketing cooperatives as "officially handled" factors. If not, then where does the word "always" come from? We have said that the supply and marketing cooperatives have a "dual capacity," but this does not in any way suggest that the cooperatives are representatives of the state's interests, or representatives of the peasants' interests. Rather, it means that the cooperatives carry a dual task: on the one hand, the task of purchasing and marketing state planned commodities, acting as a bridge between the state

and the peasants, and, on the other hand, promoting and marketing products on behalf of the peasants and supplying the peasants with the means of production and the means of subsistence as well as supplying pre- and post-production services. This kind of "dual capacity" exactly embodies the fundamental characteristics of the Chinese style of supply and marketing cooperative commerce.

3. Supply and Marketing Cooperatives After Reform Must Effectively Promote the Development of Agricultural Development Toward Commercialization and Socialization

After the restoration of cooperative commerce into the supply and marketing cooperatives, not only will the system be freed from the fetters of its former set-up, being able to develop purchasing and marketing activities in a more lively and more concentrated way, in addition, it will open up new demands on the service areas while constantly enriching and developing the service content of the cooperatives themselves in order to keep pace with the major changes in China's rural economy. Since the development of the agricultural responsibility system and the emergence of specialized households, diversified management has developed a great deal and the commodity rate of agricultural byproducts has increased considerably while there have also been large-scale increases in the total quantities of agricultural byproducts purchased from the producers. As a consequence, the new trend of large-scale development of rural commodity production has now emerged. This is just as Comrade Mao Zedong said: "The masses have limitless creativity. They are able to organize themselves and advance in all areas and sectors in which they can exploit their strength and advance on the width and depth of production, creating for themselves ever increasing welfare projects." ("Selected Works of Mao Zedong," vol 5, p 253) This kind of impetus illustrates that China's rural areas are at present changing from self-sufficient and semi-self-sufficient economies to large-scale commodity production and from traditional agriculture to modernized agriculture. Although the scale of management and administration of the specialized households is small, as soon as they began they showed themselves as commodity producers, concerning themselves with management and administration and economic results and paying attention to the application of scientific technology. Their labor productivity rates and commodity rates have shown themselves to be as much as 10 times higher than other households, thus embodying the new productive forces present in the large-scale development of socialist commodity production in the rural areas in China at present. These new productive forces will not only break all the former limits of the production brigades, production teams, and communes, in addition, they will also demand the provision of socialized services closely linked to this new kind of specialized production management. For example, in the pre-production phase, they will demand the provision of market information in order to be able to produce according to demand. During production, they will demand the provision of goods and materials, funds, and technology in order to ensure the continuity of production. In the post-production phase, they will demand effective and lively channels of circulation in order to get the products onto the markets as soon as possible and to realize the commodity value which will help the enlargement of the scale of reproduction. Thus, all of these things place new demands on rural commerce and mean new subjects to learn about. These new subjects and these demands can all be focused into

one thing--the demand on the rural commercial department to constantly increase and develop socialized services and improve its role of guiding production and promoting production. These then are the conditions that will be needed after the reforms to supply and marketing cooperatives. Furthermore, when the production conditions and the scale of management of the specialized households has improved and expanded somewhat, the households will also continue to demand coordination and unity of the socialized services such as supply and marketing, processing, stocking, transportation, technology, and information, etc. In the face of these new demands, the supply and marketing cooperatives should organize some new, diversified, multilevel forms of joint agricultural-commercial management, uniting the specialized households around them and, in the process of joint management, gradually increasing the sphere and extent of services and thus establishing themselves as supply and marketing, processing, stocking, transportation, and technology service centers. At present, some economically developed provinces and cities have already set up some diversified joint agricultural-commercial management organizations and these have proved effective and successful. According to reports, in Sichuan Province the supply and marketing cooperatives of over 130 prefectures, 140,000 production teams, 550,000 specialized households, and 630 commune enterprises have already begun to participate in joint agricultural-commercial management. The style of the joint management system is based on the concept of suiting measures to local materials and, to begin with, it was limited to the joint management of the purchasing and marketing of agricultural byproducts. Since 1982, the joint management system has developed from the sphere of circulation to such areas as production, processing, and storage. (See CHINA PEASANTS NEWSPAPER, "January 16, 1983) The styles of joint management vary and the duties of the two sides are also different. As far as joint management of the production of agricultural byproducts is concerned, the production side is responsible for the ground, labor force, and other such resources while the supply and marketing cooperatives are concerned with the provision of goods and materials, funds, technology, and information. The majority of the products, the quantity decided according to a proportional agreement, is purchased by the supply and marketing cooperatives and the real profits are divided up according to a proportional agreement, all in adherence to the principle of economic mutual benefit. In organizing joint agricultural-commercial management, it is not only necessary to ensure mutual interest, but also willingness on both sides. Thus, it is necessary to actively promote the joint agricultural-commercial management contract system, setting down the rights and duties of both sides in the form of a contract. Joint management under a contract system means joint management with mutual benefit and willingness on both sides and not "go-between"-type joint management or coercion joint management. Only by organizing joint management with a contract system can the economic interests of both parties be assured. In addition, only joint management with the contract system will help the production and marketing activities of the specialized households move toward inclusion in state planning, improving the extent of socialization of production and circulation.

Comrade Hu Yaobang said: "We must speed up the course of reform of rural commerce and thus promote even further the development of agricultural development." China's supply and marketing cooperatives have a long history and a solid base among the masses and after reform, the supply and marketing

cooperatives will have all the requirements necessary to construct a powerful cooperative-style commerce and to construct a comprehensive service center involving supply and marketing, processing, storage, transportation, and technology, closely linked to the economic interests of the peasants. Thus, in this way, the cooperatives will be able to effectively promote development toward the commercialization and socialization of agricultural production and development toward the comprehensive management of agriculture, industry, and commerce.

CSO: 4007/239

STRENGTHENING IDEOLOGICAL, POLITICAL WORK IN RURAL AREAS

Outline of Current Work

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] No 6, 5 Jun 83
pp 6-14

[Appendix to the CPC Central Committee's "Circular on Strengthening Ideological and Political Work in the Rural Areas"]

[Text] Eight Hundred million of our country's 1 billion people live in the rural areas. The conditions of the rural areas have a decisive effect on our country's political stability, economic development and the elevation of the people's living standard. At the time when the 12th Party Congress determined the key points in the strategy for the construction of the socialist modernized economy, it placed agriculture in a position of first importance. The large numbers of rural cadres and the broad masses of peasants face a glorious yet difficult historic task. In order to finish the task, the party organizations at all levels in the rural areas must, in accordance with the demands of the 12th Party Congress, integrate the actual conditions in the rural areas to strengthen and improve the party's ideological and political work in the rural areas.

We have to focus on some of the current general ideological problems existing among a section of the cadres and masses, especially the misgivings and misunderstandings regarding the question of the output-related system of contracted responsibilities, and carry out systematic propaganda and education to elevate the level of understanding and ideological consciousness among the cadres and the broad masses of peasants.

I. A Situation of Prosperity Has Appeared in our Country's Rural Areas

Ever since the 3d Plenary Session of the 11th CPC Central Committee, our party has not only completed the task of guiding the process of setting things to rights in ideology, but has also won significant victories in setting things to rights in the practical work of every battleline, realizing a great historic change. The change in the rural situation is especially noticeable and exciting.

Comrade Hu Yaobang has pointed out in the report at the 12th Party Congress: "The 3d Plenary Session of the 11th CPC Central Committee has first

concentrated on the link of agriculture, and focused on overcoming past "leftist" mistakes in guidance which have existed for a long time. It has restored and expanded the autonomy of commune teams, has restored private plots, household sideline production, collective sideline production and country fair trade, and has gradually implemented various forms of production responsibility systems linking output to remuneration. It has also raised the purchase prices of foodstuffs and some other agricultural products, and later received the policy problem of economic diversification, thereby causing rapid and marked changes in the appearance of the rural areas, from its original stagnation to prosperity."

1. A Situation of Persistent and Stable Development Has Appeared in Agricultural Production

Ever since 1979, despite constant floods and drought disasters, our country's agriculture has continued to grow at a relatively rapid rate. The output of foodstuffs, cotton and oil have all recorded the highest levels in history.

2. The Agricultural System Has Been Improved and the Agricultural Economy Has Become more Active Every Day

The development of rural economic diversification has achieved marked results, and the one-sided method of concentrating only on foodstuffs has been changing. The acreage for various cash crops has expanded and the output has increased greatly; forestry, husbandry, sideline production and fishery have also developed faster than before. The ratio of forestry, husbandry, sideline production and fishery in the gross agricultural output value has increased from 32.2 percent in 1978 to 35.9 in 1981. The gross income of commune team industries has increased 71.7 percent from 1978 to 1981, totaling 67 billion yuan. The household sideline production of commune members has also developed greatly. Accompanying the development of economic diversification and the expansion of division of labor, there emerge in many areas groups of specialized households, major households and new collective bodies and the agricultural economy has become more active daily.

3. The Standard of Living of Peasants Has Been Markedly Improved and Their Contributions to the Country Have Become Greater

The national average of collectively distributed income of each person in agriculture in 1981 was 116.2 yuan, an increase of 31.3 percent from 1978. Add to this the income from household sideline production, the increase is even greater. In the past 3 years, the area of newly built houses in the rural areas reached 1.6 billion square meters, and 25 million rural households moved into new houses.

Especially exciting is the fact that the appearances of more than 240 poor counties which for a long time have had low production levels and shortage of foodstuffs and have been dependent on large-scale relief from the state, have generally undergone relatively great changes; most of them have solved or fundamentally solved the problem of food and clothing.

4. A New and Unprecedented Atmosphere Has Appeared in the Realm of Rural Politics and Culture

As production develops and the standard of living is improved, the peasants feel happier and live in peace and contentment. Their demand for culture and scientific technology is even more urgent. Radio broadcasts, television, books and newspapers have increasingly entered their daily lives and there is a great upsurge to learn and use science. All kinds of healthy and beneficial cultural and recreational activities have also developed.

In short, in more than 20 years of the cooperative movement in agriculture, the situation in the rural areas has never been better than it is today, and 800 million peasants have never been as happy as they are today.

The fundamental reason for such major changes in the rural situation is, as Comrade Hu Yaobang has pointed out in his report to the 12th Party Congress, "due to the scientific principle of integrating the upholding of Marxist theories with realities as well as to the Marxist scientific principle of people creating history." The party Central Committee respects the creative spirit of the peasant masses and, based on serious study and investigation, always affirms the peasants' every new creation, summing up and elevating them so that the peasants can feel free to implement dynamic socialist practices with great enthusiasm and voluntary spirit. It also patiently guide the cadres at all levels to destroy the bondage of "leftist" thought, to raise the level of understanding and to lead the masses forward. The excellent situation in the rural areas today testifies to the correctness of the party Central Committee's guidance and the powerful force of the masses' practice.

At the same time, while we are fully evaluating the excellent situation, we have to see clearly that agriculture is still a weak link in our country's national economy, and there are still many unresolved problems in rural politics, economy and culture. Such tasks as stopping the wanton annexation of farmland and construction of homes, the maintenance of the ecological balance, the protection of social security and doing a good job of family planning are still very burdensome. The large numbers of cadre and the broad masses in the rural areas can never be satisfied with current results, they should even be more inspired with enthusiasm and do well all aspects of work and advance a step further in developing the already created new situation in agriculture.

11. The Output-Related System of Contracted Responsibilities Is a New Form of Socialist Cooperative Economy

Ever since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee has adopted a series of economic measures in the rural areas appropriate to our country's conditions and of which the production responsibility system is the key. The responsibility system, having been selected by the masses in practice and after continuous changes, has, on the whole, become stabilized and is being gradually improved. At present, major contracting of tasks accounts for over 70 percent of the total number

of national rural accounting units and has become the main form of the output-related system of contracted responsibilities. It is also continuing to expand into areas where it has not yet been implemented and in forestry, husbandry, sideline production, fishery and other rural economic spheres.

After the founding of the country and after the nationwide land reform, the party Central Committee had promptly led the peasants onto the road of socialist cooperatives. In the early period of cooperatives, voluntary mutual benefit was upheld and typical models were emphasized. Guidance was provided for different groups and the transition was step-by-step. The work was systematic and had its characteristics and was very successful. The problem is, with regard to the methods adopted for production, distribution, labor organization and management, whether the agricultural producer cooperatives which we had established was the most appropriate form in our country. At that time, we did not have practical experience. After the second half of 1955, work became sloppy, the demand too hasty, the changes too rapid and the form has also become too simple and uniform. Without exception, the whole country generally established higher agricultural producer cooperatives than the people's communes. For a long time, without paying attention to the need or feasibility, centralized management and centralized labor was implemented without exception; the workday system, especially the allocation of points based on work evaluation was also without exception implemented. Practice proved that this is not appropriate for our country's conditions. There are many shortcomings which obstruct the development of production.

Lenin has said, "Every nation will come to socialism, this cannot be avoided; but the way that all nations move is not exactly the same. Regarding this or that form of democracy, this or that type of proletarian dictatorship and the speed of socialist construction of the various aspects of social life, every nation will have its own characteristics." What concrete form the socialist road of China's agriculture will select similarly requires that we should proceed from our own country's conditions to suit the characteristics of China's agriculture.

The prominent characteristics of our country's agriculture are: 1 backwardness of production implements, and many areas basically rely mainly on draft animals and manual labor; 2 uniform management, with division of labor is not very well developed; 3 the peasants lack cultural and scientific knowledge and knowledge of organization and management; 4 the population is high and the acreage of cultivable land is small; intensive farming has to be carried out to suit local conditions. In the past 30 years, the productive conditions of agriculture have undergone great changes but the above characteristics have not developed fundamental changes. And with the forced implementation of centralized management, centralized labor and the system of distribution according to work points, which were not suited to these characteristics, shortcomings such as "issuing confused orders," "moving like a swarm of bees," and "eating from a big communal pot" inevitably appeared and seriously suppressed the enthusiasm for work of the broad masses of peasants.

The output-related system of contracted responsibilities has broken away from the confines of the "leftist" mistakes and conforms to the conditions of our country's productive forces. Its widespread implementation reflects that our understanding of China's conditions has been constantly deepened.

The prominent results of the output-related system of contracted responsibilities in developing production and increasing income has not been generally recognized. But there are still many who have misgivings about its nature and whether it conforms to socialist principles. In the past, land, animals and farming implements were owned collectively and unified in their use; now the cultivation of land has been decentralized and animals and farming implements have been divided among the families and households; in the past, there was centralized labor and unified assignment of work; now everyone is working his own tasks; in the past, the product of labor belonged first to the collective and then divided among individuals; now, it reaches the hands of the individuals first and then delivered according to contract. This series of developments is indeed very different from centralized labor and the method of distribution according to work points of the past. Therefore, it is unavoidable that there will be all kinds of misgivings. In fact, centralized labor is still decentralized labor, it is only a difference in form. It does not exhibit the special characteristics of productive relations nor does it determine the nature of the economy. Whether an economic form has a socialist nature cannot be determined by whether it is centralized, decentralized or independent labor, and has to be determined by the entire productive relations. We must uphold basic socialist institutions like collective ownership, distribution according to work and develop the economy in a planned way; but as for concrete systems and concrete forms, they can be of varied kinds.

Why do we say that the output-related system of contracted responsibilities is a new form in the socialist cooperative economy?

First, the chief means of production, such as land, are still collectively owned. Marx has correctly pointed out that a socialist economy is "based on the cooperation of free workers and their common ownership of land and means of production produced by labor itself." Whether the output-related system of contracted responsibilities and the contracted land system are based on population, labor or man-labor ratio, the collective has the authority to change and make adjustments according to actual conditions and this does not change the nature of public ownership. Water conservancy projects and other large-scale productive services are controlled by the collective. Whether it is centralized management or specialized contract, it will not be possessed or monopolized by one individual. The funds used by those with contracted responsibilities to purchase chemical fertilizer and seeds may vary relatively greatly, but there has been no change in the nature of agricultural technology. Moreover, under the conditions in which the state and the collective adopt such measures as extending credit and helping the poor, the amount of funds put into contracted land will not differ too much. As for medium and small farming machinery and implements such as farm cattle, plow and rake, although they belong to the individual,

yet under the realistic conditions of China's rural areas, they will not fundamentally affect the nature of the socialist cooperative economy.

Second, the basic aspect of the productive process is under the unified management of the collective. Contract is the integration of "unity" and "division" and the various forms of output-related system of contracted responsibilities all have collective unified management. In the past, the leader of the production team daily assigned work to the commune members, now with the contract of responsibilities signed, it is the same as assigning them a whole year's work. Contracted households can, according to their concrete conditions, make concrete decisions and adopt independent measures. This is the side of decentralized management in the contract system. But the basic decision on economic activities is made in unison by the collective. For example, the collective regulates the acreage, the output and the value of the output of important crops; it regulates the quantity to be retained by the collective and how it is to be used; it plans the fight against drought and the draining of flooded fields as well as other agricultural capital construction; some even act together in using certain productive equipment, or arrange certain key measures in the productive chain. This is also another side of centralized unified management of the contract system. Therefore, the output-related system of contracted responsibilities includes both systems of unified management and decentralized management.

Third, in the distribution of products, it can better implement the principle of distribution according to work. Some people believe that since in the past distribution was based on work points, now with the implementation of major contracts of tasks, work points have been eliminated and there is also no longer distribution according to work. In fact, this fails to see the nature of the problem. Marx has said, "The rights of the producer is in proportion to the work he contributes; the equality lies in the use of the same yardstick--work--for its measurement." For many years, we have distributed according to work points, and it was difficult to accurately measure the quantity of work contributed by the worker. The true nature of the output-related system of contracted responsibilities is to measure the quantity of work by the output indicator. In other words, it is to use the output indicator to replace work points as the standard for distribution. Because in normal harvest years and with the normal amount of work expended, the output that can be attained from the plots of land for which each individual is responsible can be calculated in advance. The surplus portion can be considered to be the reward for the above-quota work of the contracted household. This way, we can prepare in advance the distribution plan through the contract method. After harvest, there is no need for the contracted household to return the portion that it should get according to the distribution plan to the collective.

The statement: "To deliver enough to the state, to retain enough for the collective and what is left is mine," only explains the manifestation of this kind of distribution without explaining its true nature. This kind of distribution uses "standard output" as the standard for distribution. In general, the standard output is determined according to the contracted land's average actual output in the last few years plus a reliable range

for increased production. Under the condition that the amount of good and bad lands possessed by the contracted households is roughly the same, the portion that the individual will receive, after the portion to be delivered to the state and the portion to be retained by the collective has been deducted according to a unified scale, is roughly in proportion to the work that he contributes.

With the development of the responsibility system, some areas implement the method of assigning responsibility for stretches of land. Thus, the situation in which some will be responsible for more good lands and some for more bad lands will develop. Since an equal amount of work is expended and the income from good and bad lands are more or less different, if we use the same scale to retain income, then those responsible for good lands will receive a higher income. Thus, it is necessary to stipulate a different retention scale for different pieces of land; more will be retained from good lands and less from bad lands. In the commune teams where there are fairly many collective industries and considerable sideline production, especially in teams where industries and sideline production greatly supplement agriculture in terms of distribution, in order to balance the incomes of various occupations, it will be necessary to use some methods which would unify the distribution standards of agricultural contracts and contracts for industries and sideline production, and through the method of adjusting the retention scale to eliminate the effect which the irrationality in price parities between different products and the different levels in the use of collective technological equipments have on income. Since there is no need to "evaluate" the standard output every day nor to stipulate the work quota, and because it can be used very simply to directly measure the quantity of work, it is, therefore, beneficial in overcoming the many shortcomings of the method of evaluating work and recording points.

To contract land is to contract the output of the land and this output is generally attainable after an adequate and reasonable amount of work has been expended. Therefore, it is also the standard to measure the contracted individual's work conditions (including management, which is also work), hence it is called "standard output." It is only after the standard output has been stipulated that there is the fundamental basis for responsibilities and benefits, duties and rights in a contract economy. After the implementation of the output-related system of contracted responsibilities, distribution is in fact based on standard output, although this term has not been used. Using this term to explain at this time will help the cadres and masses understand better. Distribution according to a standard output is created by our country's broad masses of peasants and is a new development in the form of internal distribution in the agricultural cooperative economy. Under present conditions, it can better help to realize the principle of distribution according to work. Of course, the masses in some areas really feel that there is still the need to retain work points to suit their habits; we should respect the masses' wishes. On the other hand, within some contracted units responsible for industries and sideline production, because of the relatively high level of specialization, a single individual cannot independently complete the entire productive process of the product, thus it is necessary to calculate salary according to the work completed by

the workers at various stages of the production process. Under these circumstances, the work point system can also be retained.

Fourth, the output-related system of contracted responsibilities makes the state's planned management of agriculture more practicable. After implementing the system, the autonomy of the peasant household in production and circulation has greatly increased. Because efficiency has been raised, there is a surplus of work power; and after completing the contracted tasks, the portion managed by individual commune members has also been relatively well developed. Therefore, the economic relationship independently developed by the contracted household with the outside has increased. But our economy is a planned economy and our market is the socialist unified market under the state's planned control. In general, the products of each contracted household will first fulfill the state's quotas of monopolized purchase and assigned purchase. Besides these quotas, the relationship is also mainly with state-run commercial enterprises and cooperative commercial enterprises. In areas where the contracts work well, the state's plan for agriculture, especially with regard to monopolized and assigned purchases, has never been implemented as it is being implemented now.

The output-related system of contracted responsibilities constantly enriches its content, concrete forms and various methods during its developmental process. It is a great creation of the Chinese peasants, vividly manifesting the faith and intelligence of the Chinese peasants in walking their own path under the leadership of the party and in constructing socialism with Chinese characteristics.

III. The Interests of the State, the Collective and the Individual Must Be Taken Into Account

For a long time, under the mistaken guidance ideology of the "left," the interests of the collective and the individual have been seriously ignored. In the last few years, this situation has undergone fundamental changes. The measures to expand autonomy, to implement the responsibility system and invigorate the economy have enabled the peasants' individual interest to receive actual protection. The state has successively raised the purchase price of some agricultural products, lowered the base for requisition by purchase and reduced or exempted portions of the taxes. Because of these measures, the gains made by the peasants in their sale of agricultural products have increased greatly, and the increase in 1981 was 20 billion over that of 1978. But at the same time, some new problems also have emerged in the relations between the state, the collective and the individual. At present, the relatively prominent one is the weakness of planned management in some areas: for example, the reduction of some acreage for grain that should not have been reduced or the overexpansion of cultivated acreage for certain cash crops; again, for instance, the failure to fulfill the requisition for purchase and assigned purchase quotas while selling products at negotiated purchase or above-purchase prices, thus increasing the state's burden. In some areas, public retention is too small or there is none at all, thus affecting collective accumulation and the development of welfare

enterprises. In still other areas, land and other public properties and public services have been infringed upon and destroyed. Therefore, it is imperative at this time to emphatically raise the question of the interests of the state, the collective and the individual, and to carry out in-depth education among the cadres and the masses.

Shortly after the completion of the cooperative transformation of agriculture, Comrade Mao Tse-tung has already stressed: "On the question of distribution, we must take into account the interests of the state, the collective and the individual. We must handle well the three-way relationship of the state's tax collection, the cooperative's accumulation and the peasant's individual income and constantly pay attention to regulating their contradictions." The taking into account of the interests of the state, the collective and the individual is determined by the nature of the socialist productive relationship. While we have to recognize that each of the three sides has its own opposite, independent and interchangeable interests and that we cannot emphasize one side at the expense of the other, we also have to realize that the interests of the three sides are interrelated and interact with each other. Therefore, it is only through taking into account the interests of all three sides that the interest of any one side can be better realized. If the interest of one side is harmed, the fundamental interests of the other two sides will inevitably be harmed as well. For example, the interest of the state is mainly embodied in the completion of the state's plan. The completion of the state's plan is not only in the interest of the state but is closely related to the interests of the individual collective units and the thousands and tens of thousands of commune member households. This is because: first, the purchase by the state of agricultural products that it should purchase is related to the supply of industrial materials, to the standard of living of the urban population, to the state's accumulation and the development of foreign trade and national defense. If these are not protected, the development of industries and social stability as well as national security will all lose the necessary conditions, thereby harming the interests of the collective and commune members. Second, our country's territory is vast and conditions are complicated, and the impact of natural disasters is relatively great. The average area affected by various kinds of disasters is over 400 million mu. If there is no unified state plan, it would be impossible to promptly regulate surplus and shortages, and subsidize areas with bad harvests from areas with good harvests, and to protect the basic needs for the livelihood of the people in the whole country. Third, our country's agriculture is still a relatively backward area in the national economy, with poor technological equipment and low labor efficiency, while developments in various areas are also very uneven. This requires the state's support of agriculture. For example, in order to maintain the elevated purchase price of agriculture products, the state at present has to provide every year a large portion of its fiscal revenue for the subsidy of commercial buying and selling of agricultural products. Also, it has to concentrate a definite amount of capital for use in some large-scale capital construction, to provide aid to the development of backward areas, also to strengthen the basic industries which affect the economic development of the entire national economy and to set up scientific and cultural and educational enterprises.

These are all impossible outside the state's unified plan. The interest of the collective is even more closely related to the interest of the individual commune member. If there is no collective retention, water conservancy and other relatively large agricultural capital constructions as well as the work to popularize scientific technology cannot be carried out smoothly, and the cultural and welfare enterprises in the rural areas cannot be developed well.

To take into account the interests of the state, the collective and the individual also requires, besides doing well ideological and political work, a series of concrete measures for its guarantee. We must, based on new conditions, seriously sum up new experiences and search for new ways. For example, to implement widely and improve the contract system is a powerful means to guarantee that the interests of the state, the collective and the individual are being taken into account. Contracts are signed after adequate negotiation and on a voluntary basis. They are useful in guaranteeing planned guideposts in making the tasks fit the reality, in changing the style of forced commands and in avoiding the issuance of confused orders. Contracts are signed in advance, and are useful in eliminating the blindness in production and management. Contracts possess legal authority and all parties must strictly carry out their obligations. Therefore, getting a good handle on the contract system has tremendous significance for the correct coordination and handling of the relationship between the interests of the state, the collective and the individual. Besides contracts for assigned tasks, there are contracts for supply and sales and technology. They should also be gradually set up and improved according to need.

In some areas, there appears at present the problem of having some difficulty in making good collective retention. This is related to the vague understanding of the responsibility system among sections of the masses. But more than that, it is caused by the poor management of collective economy, the unreasonable burden, and especially the confused financial accounts. The solving of this problem also requires, besides strengthening ideological education for the masses to elevate their understanding of consolidating the cooperative economy and improving the contract system, the search for the summation of concrete methods to make good collective retention and to guarantee the rational use of retention, to avoid waste and stamp out wanton expenses.

As for some behavior which seriously harms the interests of the state and the collective, or for criminal behavior which even violates the law, we must use the necessary administrative and legal measures and cannot tolerate and condense them.

IV. To Get Rid of Poverty and March Toward Common Prosperity

The implementation of the output-related system of contracted responsibilities has greatly stirred up the peasants' enthusiasm for production and opened up for them all kinds of ways to prosperity. Some people believe that: "Now, the poor villages will remain poor and wealthy villages will remain wealthy," and, "If it goes on like this, isn't this dividing into

two poles?" Among those peasants who have become prosperous first, many of them also worry about their relatively high income and are afraid to show their prosperity. Some areas also put inappropriate restrictions on the legitimate productive management activities of those specialized households who have become prosperous first and even attack them.

The mode of small-peasant production has a long history in our country and has a deep-seated tradition of equalitarianism. In the more than 20 years of the cooperative movement, the principle of "common prosperity" has all along been distorted to mean pulling down to the same level and "eating from one big communal pot." This seriously confused people's thought. In fact, what we mean by common prosperity does not mean that it will not permit differences in the degree of prosperity. In his discussion of distribution according to work, Marx has stated that because of differences in human physical strength and intelligence and the unevenness in the population to be supported, such conditions will continue to exist. "A particular person, in reality, gets more than another person and he is then wealthier." It can be seen that the belief that the peasants can only walk at the same pace in their increase in income or in the improvement in their standard of living does not conform to the principles of scientific socialism, and is a manifestation of absolute equalitarianism. Absolute equalitarianism cannot increase wealth for the society. At this stage, the appearance of definite differences in the level and degree of prosperity among the workers in our country is an entirely normal phenomenon. This can be seen after we carry out a concrete analysis of the current situation in the rural areas where the responsibility system has been implemented.

First, some of the peasants have become prosperous first, and this took place against a background of general increase in income for an overwhelming majority of the peasants and a gradual improvement in their standard of living. In the last 2 years, the differences between peasant incomes have increased, especially for some specialized households whose incomes are far above those of the average commune members. This is the objective truth. But, on the other hand, it is also an objective truth that the incomes of the overwhelming majority of the peasants have generally increased and their standard of living has been gradually improved. Therefore, everyone has, based on what they had originally, gotten rid of poverty and marched toward prosperity, only that some of them walk faster and with a bigger step, while others walk slower and with a smaller step.

Second, the road which an overwhelming majority of those peasants who have become prosperous first has taken is healthy and leads to prosperity through work. For example, 1) to fully exploit the potential of family labor and to put into productive activities relatively more labor; 2) to diligently study and use science and to master relatively advanced agricultural technology; 3) to do a good job in cultivation, breeding and economic diversification such as handicraft industry, commerce and service industries so as to meet social needs and have good economic results; 4) to have better management capabilities and play a greater role in the various new cooperative bodies. All these are correct paths to become prosperous through work. It is an inevitable trend and a good thing that with the development of

economic diversification, more and more peasants are engaging in work outside cultivation or even outside agriculture. Some people have, in this process of gradually divorcing from direct agricultural physical labor, become technical and management personnel. They have also done a lot of work in studying indepth techniques, in understanding and grasping the conditions of the markets and in using business and management know-how. In the current situation where the rural economy is active and the commodity production is continuing to expand, the previous channels of circulation and means of communication and transportation can no longer meet the needs. Some of the peasants engage in transporting goods for sale and buying and selling activities, and play the role of making up for omissions and deficiencies, benefiting the production and standard of living of cities and townships. The reasonable income obtained from engaging in such activities should be considered to be work income.

Third, the existence of differences in the level and rate of prosperity conforms to the law of economic development. For a long time, under the mistaken influence of the "left," the control over family sideline production of commune members and country fair trade has been very rigid, virtually blocking many ways to becoming prosperous. Within the collective, the implementation of the "eating from one communal pot" distribution system seriously harms the enthusiasm of the commune members. Although the distribution of income has been leveled, yet this is fundamentally not "common prosperity." Ultimately, it is only common poverty. To implement distribution according to work and commodity production is in itself a recognition of differences and a protection of differences. This has tremendous positive significance for motivating people to diligently learn from advanced elements, to improve production techniques, to improve business management and to increase economic results. Only this can greatly enrich the wealth of the society and create the material foundation for the real common prosperity.

Fourth, under socialist conditions, differences in the level and rate of prosperity will not cause the division into two poles. Division into two poles refers to class divisions, i.e., some of the people own the means of production and make gains without working, while others lose the means of production and are exploited. The differences in the level of prosperity which appear in our rural areas today are not like this. It is because: 1) the land is publicly owned and cannot be sold, rented or transferred; 2) there are some specialized households who raise funds by themselves to purchase means of production and develop self-managed economy or who join into partnership to invest and divide dividends according to a specific ratio. For these people who, within the limits permitted by national policies and laws, engage in economic activities beneficial to the national economy and the people's standard of living and obtain relatively high income, we can, through such methods as taxation and common accumulation, both encourage individual investment and business initiative while putting appropriate regulations on the income brought about by the capital; 3) because of shortcomings in the current price system, there may be irrationality in the incomes between those engaging in different trades or the production

of different items. For example, the irrationality in price parity between different agricultural products will lead to higher and lower incomes for peasants cultivating different crops; the irrationality in different prices between different areas may lead to excess profits for those engaging in transportation goods for sale. But, with the gradual rationalization of the price system and the reform of the method of price management, questions relating to this aspect can be solved. Before that, the state can, through taxation, market management and other means, impose control and regulation; 4) at present, there are indeed a few who use methods which harm the interests of the state, the collective and others to seek exorbitant profits. This is strictly prohibited by the policy of the party and the state and it will also be suppressed and opposed by local organizations at all levels and by the broad masses of the people; 5) as for some poor households who lack labor management ability and who have other special difficulties, the collective should, apart from the specific aid provided by the state, also provide the necessary support and initiate and organize the masses for mutual help. As long as the work to support the poor is well developed, the situation in which a few people cannot make a living and are without support will not appear.

V. The Trend of Development in the Rural Economy

At present, the period of great change in the production responsibility system has basically passed and the key point from now on is to maintain relative stability and gradual improvement and elevation. Comrade Hu Yaobang has pointed out in the report to the 12th Party Congress: "In these past few years, many forms of production responsibility system have been established in the rural areas, thus further releasing the productive forces. This must be upheld for a long time to come. We can only gradually improve on the basis of summing up the practical experiences of the masses and can never change recklessly, violating the wishes of the masses. We can still less walk backward." Those worries which consider the output-related system of contracted responsibilities to be good but fear that it is a temporary measure are totally unnecessary.

After the implementation of the output-related system of contracted responsibilities, and with the development of agricultural production, secondary agricultural production that can be supplied for processing and sale have increased; surplus labor and capital have increased; and the peasants' demand on the market has also expanded. These factors have from all sides promoted the development of economic diversification. Under the concrete conditions in our country, the people's diet will not change greatly in a short period of time and the land suitable for the cultivation of foodstuffs must be guaranteed for food production and should not change over to other crops. In our country, besides a limited amount of cultivated land, there are rich agricultural resources that can be utilized. The direction determined by the party Central Committee of never relaxing the production of food and actively developing economic diversification is very correct and is a major policy in our country's strategy for agricultural development. It is beneficial not only to the transfer of surplus labor

force and the full utilization of natural resources and capital, but also to the protection and promotion of the production of foodstuffs, realizing the idea of using the fertility of the soil to its fullest, making the best use of everything and using the people's talent to the fullest.

The vigorous promotion of economic diversification will inevitably bring about the development of division of labor and trade in the rural areas. After a long history of natural economy, our country's rural areas are, up to now, still to a large extent engaged in self-supporting or semi self-supporting production. In order to realize agricultural modernization, we must break away from these backward conditions and move toward commodity production and walk the road of professionalization and social orientation. At present, the peasants in all areas are opening up ways of production and there is great enthusiasm to exploit to the fullest the potential for management. The situation for the development of commodity production is excellent. We have to maintain and expand this momentum, to continue in pushing forward social division of labor in the rural areas, to promote exchange between cities and townships, and to speed up the process of professionalization and social orientation. Commodities are products used in exchange and only those that are of good quality and have standard specifications will meet the needs of the society and will be welcomed and sell well. Therefore, besides greatly increasing the ratio of commodities among products, we have to pay attention to quality, to actively improve the technology of cultivation, raising and processing and should constantly enrich the colors and varieties. In short, to change from self-support and semiself-support production to commodity and socially oriented production is a historic reform. It involves a lot of areas and this requires learning new knowledge, becoming familiar with new economic activities and getting rid of the old and setting up the new in institutions, methods, style, concepts and customs to meet the development of the situation.

To develop the commodity economy and realize the social orientation of agricultural production can take many forms and be done through many ways. In recent years, in the process of marching toward the development of breadth and depth in production in the rural areas, a group of economically diversified specialized households and major households with specialized skills and management abilities has successively emerged. Among these, whether they are contracted households contracted to the collective, or self-managed households developed from family sideline production, they generally possess the characteristic of small investment, rapid results and substantial gains. They play an increasingly prominent role in promoting commodity production in the rural areas and give impetus to the peasants' moving rapidly toward prosperity.

At present, specialized households and specialized groups in many areas are actively raising capital to expand the scope of management. Some of them are engaged in long-distance transportation of goods for sale, others are buying and renting tractors and cars to carry out commercial transportation. For all these, we should adopt a policy which is appropriately lenient and which provides guidance according to the situation.

some specialized households in the collective ownership cooperative economy and many specialized production with the nature of self-management will, as production expands and the standard of management increases, gradually put forth from different aspects new demands for cooperation and integration, and, according to the principle of benefiting production and voluntary mutual benefit, set up different forms of integration such as specialized joint production, joint supply and sales, or joint technical services. Some of them may even break away from the original confines of commune teams. The 12th Party Congress report has pointed out: "There will appear in our country's rural areas, in the not too distant future, a more improved cooperative economy with many different forms which will benefit the development of a superior situation according to local conditions and the large-scale adoption of advanced production measures."

From now on, in the economic life of the rural areas, besides such cooperative economy as the contract system and new integrated bodies, there will also exist side by side within specific limits the worker's individual economy. For example, certain projects that are decentralized, constantly changing or requiring special skills need not all carry out integration, and can retain individual management for a longer period of time. This kind of individual economy is a necessary and beneficial supplement to the public ownership economy. Of course, we do not adopt a laissez-faire attitude toward individual economy, but we are using the supreme position of state power and the public ownership economy to lead and control, and, through many links, to organize them into the socialist economic system.

The scope of management of the contract system, various forms of new integrated bodies and self-managed specialized households is usually relatively small. But this kind of production with relatively small production and management is not self-supporting and self-sufficient, but wants to become social commodity production oriented. It has the following superior points: 1) It is easy to give play to the potential of labor power and means of production, especially in allowing the maximum utilization of supplemental labor, simple buildings and services. 2) It is appropriate to the current skills, experience and management level of the producers, and provides an arena in which our country's broad masses of peasants can develop their talents. 3) It can absorb relatively more labor power, save capital, reduce energy consumption and protect the ecological environment. The successful experience of the output-related system of contracted responsibilities has proved that at the same time as the collective unified economy is being implemented at the basic aspects of the production process, it can bring the management initiatives of the peasants into full play, conform to the conditions of most of the areas in our country and have wide applicability. Therefore, from now on in the rural areas, besides the supplementary individual specialized household, most of the many forms of cooperative economy will be based on the labor and production of the family or small groups. In short, the important characteristic of our country's socialist agriculture is that it is at once small in scale and moving toward a specialized and socially oriented mode of production.

In the process of further developing the rural economy and increasing the extent to which production become more socially oriented, it is inevitable that more and more labor force will leave the land. If all 800 million people grow food, there is no future; but if all 800 million peasants move to the cities, it is also unworkable. It must be to "leave the land, but not the township." We have to energetically develop village industries, establish many medium and small towns so that they will gradually become centers of rural economy, culture and scientific technology.

In these few years, the rural areas have developed rapidly. But on the whole, they cannot be considered prosperous. Conditions for agricultural production are still relatively poor while such aspects as communication and transportation are even more backward. Therefore, when we have attained a specific level of economic power, we should not be anxious to catch up with an excessively high level of consumption, but should uphold the principle of "first we need food, second we need construction." At the same time while we are appropriately elevating the standard of living, we should as much as possible develop some productive projects, such as soil improvement and construction and repair of water conservancy works, and strengthen transportation, storage of grain, communication and other basic services. These are important things related to long-term development.

Now, many forms of the output-related system of contracted responsibilities are still being improved and the rural economy is continuing to develop. We can be sure that the future of the development will not return again to the old pattern of "large in size and collective in nature." The output-related system of contracted responsibilities has already caused changes in the economy based on the three-level ownership by the commune, the production brigade and the production team with the production team as the basic accounting unit, and manifested a new appearance. It will definitely meet the demands of socially oriented production to further get rid of the old and develop the new and become a better cooperative economic organization.

VI. To Guarantee the Healthy Development of Rural Politics, Economy and Cultural Life in the Direction of Socialism

Comrade Hu Yaobang, in the report to the 12th Party Congress, has requested that "party committees at all levels should accord with current new conditions to further improve the basic organizations of the party in the rural areas, as well as the basic organizations of economic, administrative and mass organizations, and to strengthen the ideological education of the peasants in different areas and age groups so that rural politics, economics and cultural life can develop in a healthy manner in the direction of socialism."

To guarantee the socialist direction of rural development requires not only the upholding of the socialist public ownership system, the improvement of the output-related system of contracted responsibility, and to manage well the socialist cooperative economy, but also the strengthening of the construction of the socialist spiritual civilization and the gradual elevation

of the level of consciousness, politics and morality of the peasants, and the standard of education, science and cultural knowledge. We should work hard to develop socialist democracy, uphold and improve party leadership and use the construction of the basic party organization as the strong fortress in guiding the enterprise of socialist agricultural modernization.

A correct evaluation of current basic conditions of the peasants is the important prerequisite in doing a good job of ideological and political work in the rural areas. There have been fundamental changes in the broad masses of the peasants today when compared to the early period of liberation. After socialist transformation and the party's long-term education, they have become new workers in the socialist cooperative system. They are different from the small private owners of the past and are definitely not continuously, daily or hourly, voluntarily or on a large-scale, working on the soil of capitalism and the capitalist class.

Especially after the 3d Plenary Session of the 11th CPC Central Committee, the broad masses of peasants, under the guidance of the party's correct line, direction and policy, have actively and voluntarily risen to continuously make new contributions in the creation of the new life of socialism.

Yet, because class struggle still continues to exist within certain limits, and because of the influence of the concept of private ownership in the tradition of the small producers among the peasants and other corrupt ideas, plus the fact that in many areas ideological and political work, for the moment had not been able to catch up, there have developed such ideas as "everything is for money," to benefit oneself at the expense of the public and to harm others to benefit oneself. Such ill winds as superstition, gambling, theft, fights and mercenary marriages and other backward phenomena have also taken advantage of the opportunity to emerge, seriously harming the mutual help and friendship between human beings and good social customs. If they are allowed to continue to develop, they will definitely move away from the correct direction of socialism. We must emphasize that the various economic policies of the party in the rural areas must be strictly implemented and the enthusiasm of the people to get prosperous through work must be really protected. At the same time, we must strengthen the construction of socialist spiritual civilization and carry out communist ideological education among the broad masses of peasants. We must work hard to get rid of old traditional concepts and narrow perspectives, and establish revolutionary ideals and morality so that the new social relationship between individuals, between the individual and the collective and between collectives can continue to develop.

The construction of rural culture is an important aspect of the construction of rural spiritual civilization. On the whole, education, science and culture are not well developed in our country's rural areas; but in the last few years, based on their ardent desire to develop production, the peasants' demand for scientific technology has become very urgent. After the question of food and clothing has been solved, the need for cultural life has also increased daily. This is a powerful impetus for the development of rural cultural enterprises.

the prosperity of various cultural enterprise in the rural areas and the elevation of the peasants' cultural and intellectual levels is not only an important condition for the development of the rural economy, the speed up of professionalization and making production socially oriented, but also an important condition for the elevation of the ideological consciousness and the level of morality of the peasant masses, because the elimination of such phenomena as feudal superstition, mercenary marriages and getting rid of ignorance, backwardness and uncivilized conditions must rely on the popularization of education and the enrichment of culture. And the heightened communist consciousness of the peasants requires as its basis considerable cultural and scientific knowledge. Lenin has said, "We have to obtain all science, technology, knowledge and art. Without these, we cannot construct the life of a communist society." Therefore, cultural construction is closely related to the future development of our rural areas and has profound strategic importance.

The elevation of the communist consciousness of the peasant masses cannot be separated from the development of such cultural enterprises as education and science; conversely, cultural construction in the rural areas must proceed under the guidance of communist ideology. We must be alert and suppress the corruption of feudal and capitalist thought, develop widely various cultural activities which possess the content of communist ideology and which the peasants would like to see and listen to, and continue to expand the rural cultural base of socialist thought.

The construction of both socialist material and spiritual civilization require the continuous development of socialist democracy for its guarantee and support. Socialist democracy has to expand into rural political, economic, cultural and social life as well as other aspects. We must develop democratic management within the socialist cooperative economy and self-rule by the masses in basic social life in the rural areas. At present, many areas, through mass discussions, have formulated township regulations and people's contracts. This is a good way by which the masses use democracy to carry out self-education and has gained gratifying results. It should be continued with determination, improved and enhanced. At the same time, we should search for and create other democratic forms and methods appropriate to the characteristics of our country's rural areas, and, according to the principle of socialist democracy, further establish the equal relationship between individuals and the correct relationship between individuals and society.

The strength of the construction of basic party organizations is the fundamental guarantee for upholding the socialist direction of developments in the rural areas. For many years, the cadres at various levels of the agricultural front, especially the basic-level cadres, in order to implement the policy direction of the party, have contributed tremendous efforts in guiding the broad masses in struggling to do pioneering work and have experienced numerous tests. Despite the existence in their work of shortcomings and mistakes here and there, yet on the whole, the result has been significant and should be fully affirmed. The CPC members among the broad masses of peasants have been in the past and still are today the backbone

force in rural work. At present, there have appeared in some areas undesirable tendencies, such as party members who are concerned only with their own production and are not concerned with the interests of the party and the masses, or party branches which have abandoned guidance of the masses. We should seriously reverse these. All CPC members, especially party cadres must, in accordance with the strict demands of the new party regulations, be even more self-conscious in maintaining and giving full play to the fine tradition of the party's mass line, and have even closer contact with the masses, to hear their cries and to be concerned with their interests and accept their supervision. Moreover, based on the current new situation in the rural areas, we have to integrate new tasks and improve the style and method of leadership, and raise higher the level of ideological and political work. At this stage in our country, we cannot demand that every peasant become a communist; but as for the CPC members, especially party cadres, we must use communist thought to require that they, through their function of acting as models in ideology, morality, discipline and other aspects, educate and influence the 800 million peasants.

Our party and the broad masses of peasants have close links and deep affection for each other. From the democratic revolution to the construction of socialism, we have a history of sharing comforts and hardships and the same fate for over 60 years, thus causing the peasants to have incomparable trust in the party. Ever since the 3d Plenary Session of the 11th CPC Central Committee, the party has corrected, step by step, the "leftist" mistakes and formulated a series of correct policy directions, winning the widespread support of the peasants and strengthening further the link between the party and the peasants. All CPC members must highly treasure such links and in their respective positions, do their job well to strengthen and develop such links. The broad masses of peasants should believe that the party will always wholeheartedly work for their interests and that the continuous development of rural constructive enterprises and the continuous elevation of the peasants' material and spiritual life can only be realized under the leadership of the party. Unite firmly around the party, advance in the direction specified by the 12th Party Congress and the rural areas in our great motherland will definitely become more and more prosperous every day.

Editorial on Ideological Work

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] No 6, 5 Jun 83
pp 13-14

[Editorial]

[Text] At the beginning of this year, the CPC Central Committee issued successively "Some Questions about the Current Rural Economic Policies" (Document 1) and "Circular on Strengthening Ideological and Political Work in the Rural Areas" (Document 2). These are two important documents which will guide all rural work from now on until a considerable period of time in the future. The two complemented each other and should be closely integrated to produce a unified strategy for them to be seriously implemented. The materialist civilization and spiritual civilization of socialism should

be grasped together in order to bring the best out in each other and to carry out full-scale rural work, thus advancing further in the creation of a new situation in rural modernized construction. It is important to follow the policies well; but if ideological and political work lags behind, the realistic implementation of the policies cannot be guaranteed. The CPC Central Committee pays a lot of attention to rural ideological and political work. Using Marxism and Mao Tse-tung Thought as the guide, the Central Committee's Document 2 comprehensively sums up our party's positive and negative experiences in doing ideological and political work in the rural areas over the past several decades, and addressing itself to actual current conditions in the rural areas, the document incisively expounds on such questions as the content, priorities, principles and methods of ideological and political work in the rural areas. It is a powerful weapon to strengthen rural ideological and political work and will help large numbers of rural cadres better understand and implement the various policies laid down in the Central Committee's Documents. As some local comrades say, it is a good document integrating theory with practice.

Now, the Central Committee's Document 2 has been issued for 5 months. Judging from its implementation in various areas, many of them are placing relative emphasis on the documents, but quite a few areas have not yet paid the kind of attention that the Central Committee demands and cannot catch up with the requirements of the situation's development. In some areas, the implementation of Document 2 is still stalled at the stage of general transmission and study at the cadre level without linking together local work realities and ideological realities to carry out the popular education of the masses. Many area party organizations have failed not only to seriously study rural ideological and political work, but also to strengthen the departments for managing rural ideological work. In some areas, ideological work is still drifting along without paying any attention to it. The tendency, mentioned in Document 2, "to become totally pre-occupied with economic work while ignoring the party's political leadership and ideological work and adopting a laissez-faire attitude toward the ill winds and noxious influences in the society" has not markedly changed in some areas. Comrades in all areas should pay attention to this situation which seriously obstruct the smooth development of rural work and should quickly adopt practical measures to improve it. In order to widely publicize the content of Document 2 to large numbers of rural cadres and the masses this issue of our publication will publish excerpts of this document and its appendix, so that large numbers of rural cadres can seriously study the document and realistically correct the tendency to ignore ideological and political work and to really handle well the ideological and political work of the rural areas. In the past few years, party organizations at all levels in the rural areas have energetically implemented the party's policies and vigorously promoted economic work, achieving tremendous results. It is undoubtedly correct to stress the party's economic policies and economic work. But to think that economic work can replace ideological and political work, thereby ignoring it, is not right. After 10 years of internal turmoil in which the "leftist" mistakes have been corrected, we are now searching for a peculiarly Chinese way to develop socialist agriculture. It is understandable that people have various misgivings and misunderstanding during this process. It is important to strengthen ideological and political work and unify people's ideological understanding. For example, in the

process of carrying out the output-related system of contracted responsibilities, questions centering on the relationship between production level and direction and the socialist nature of the responsibility system have been repeatedly debated by the cadres and masses. But until now, for some, the misunderstanding that the system of assigning work for each household is the same as dividing up the land and working alone has not really disappeared. In some areas, the phenomena of some people destroying collective properties, and undermining the collective and the state in matters of technology, funds, resources and markets also often occur, and some cadres actually remain totally indifferent to all these. On the question of becoming rich," and, "as long as one gets rich, one does not care about the sufferings of others." These situations all show clearly that while we have to eradicate "leftist" influences, we also have to stop the erosion of capitalist thought. This is a very important task and it is only through the realistic strengthening of ideological and political work, the continuous integration of new situations and new ideas, the carrying out with determination, depth and care of education on the future of communism, and the establishment of the concept of the total picture and of the whole entity, taking into account the interests of the state, the collective and the individual, that the correct implementation of the party's policies and the victorious advance of our enterprises along the socialist road can be guaranteed.

At present, some rural cadres mistakenly believe that since "they dare not use strict methods and that lenient methods cannot be of any help," they have become used to using simple rewards and punishments to handle problems, and feel that it is both convenient and effective. This understanding is one-sided. From the surface, it seems that at times ideological education is indeed not as quick in producing results as economic rewards and punishments or legal sanctions and administrative measures because the resolution of ideological problems requires a definite process. But rewards and punishments are not omnipotent. At the same time, while we are using economic measures we must combine them with the process of ideological and political work so that the consciousness of the cadres and the masses can be raised to take into account the whole situation and pay attention to the state and the collective as well as to correctly handle the three-way relationship between the state, the collective and the individual, thus elevating the ideological consciousness of socialism and the level of morality. If only economic measures are used and ideological and political work is not carried out, then the masses will become short-sighted and be preoccupied with immediate personal economic gains, to the point where they will be only after personal gains and their sights are directed only to money. At present, there are those, because they seek all kinds of material rewards, who resort to deception, deceit, bribery, speculation and curry favor with people in authority. There are those who will violate the laws in order to earn money. If we allow all kinds of nonproletarian thought to be nurtured and develop, how can we realize the fundamental improvement of party style and social atmosphere? How can we guarantee the direction of socialism? Therefore, ideological education should lead all our work in the rural areas. We should fashion the education of the peasants so as to foster the communist philosophy of life and the love of country, the collective and socialism as a fundamental task in rural ideological and political work, and we should concentrate on this with determination and diligence for a long time.

At present, people in cities and townships all over the country, enthusiastically responding to the call of the Central Committee, are initiating a great upsurge to learn from Zhang Haidi [1728 3189 6611]. We have to stress learning from Zhang Haidi as one of the important topics in the present ideological and political work, combining it with learning from local advanced persons as well as integrating it with the development of "five stresses, four points of beauty and three ardent loves." Every rural cadre and every CPC members should lead in learning from Zhang Haidi and like Zhang Haidi, use the communist spirit in our work, study and livelihood, and to struggle stubbornly, to serve the people wholeheartedly, to use one's exemplary action to move all the peasants, to become under the cooperative system a new-type peasant with ideals, morality, culture and observing discipline, and to contribute our efforts to the enterprise of constructing a peculiarly Chinese socialist modernized agriculture.

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CSO: 4007/203

BRIEFS

COMMERCE DEVELOPMENT STATUS REPORT--Since 1949, along with the development of production in industry and agriculture and the raised income level of the people, the circulation of commodity goods has been expanding rapidly. From 1952 to 1981, the total commodity procurement price of state-owned enterprises has increased from 17.5 billion yuan to 246.9 billion yuan, up 13 times. The procurement price of industrial goods in 1981 was 168.51 billion yuan, about 68 percent of the total procurement price in the same year. The procurement price of the agricultural and sideline products was 76.5 billion yuan, about 30 percent of the total procurement price in the same year. From 1952 to 1981, social commodity retail sales increased from 27.7 billion yuan to 235 billion yuan, an increase of 7.5 times. Urban social (non-agricultural population) in 1981 commodity retail sales were 102.6 billion yuan, about 44 percent of the total volume of social commodity retail sales in the same year. Rural (agricultural population) commodity retail sales were 132.4 billion yuan, about 56 percent of the total social commodity retail sales in the same year. Of the total of 235 billion yuan in social commodity retail sales in 1981, (including independent sales in industrial enterprises and retail volume of trade in urban and rural collective markets) total state-owned commodity retail sales were 23.5 billion yuan (excluding agricultural supply and marketing cooperatives), about 10 percent of total sales, and individual unit commodity retail sales were 3 billion yuan, about 1.2 percent of total sales. [Text] [Beijing JINGJIXUE ZHOU BAO 22 Aug 83 p 5]

CSO: 4007/238

GANSU

BRIEFS

SUMMER GRAIN OUTPUT--This year, Gansu Province's output of summer grain was some 7.4 billion jin, an increase of 420 million jin over last year. [Summary] [HK141359 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 7 Sep 83]

CSO: 4007/239

BRIEFS

SYNOPTIC FORECASTING STATIONS--The 34 upper air synoptic forecasting stations in 20 province, municipalities, and autonomous regions in our country, including Shantou, Haikou, Xisha, Yangjiang, and Yaxian County in Guangdong Province, have taken part in international experiments in typhoons. They conducted an experiment during the No 9 strong typhoon this year. This experiment was organized by the World Meteorological Organization and the Council of the Economic and Social Commission for Asia and the Pacific. Apart from China and Japan, the Philippines, Thailand, Singapore, Vietnam, and Hong Kong have taken part in these experiments. The experiment center has been set up in Tokyo, Japan. The main tasks of the experiments are to carry out scientific observation of the typhoons in the northwest Pacific and the South Sea. This is beneficial to the heightening of vigilance against typhoons and to the strengthening of typhoon forecasting. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 6 Sep 83 HK]

AQUATIC PRODUCTS--Over the past several years, the fishing zones along the coasts in Guangdong Province have promoted the development of the production of aquatic products in the form of compensation trade and joint ventures. By the end of the first half of this year, the province had made use of foreign capital to build some 300 fishing vessels with relatively good equipment and to set up areas amounting to some 41,500 mu of sea water and fresh water for breeding aquatic products. The province's output value of aquatic products in the first half of this year which were produced by employing foreign capital for the purpose of export, was approximately \$40 million. With the development of the production of aquatic products, jobs have been arranged for the surplus labor force of some 10,000 people. Over the past few years, the province has imported some \$15.3 million of foreign capital to build a large number of aquatic product-breeding places. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 2300 GMT 6 Sep 83 HK]

ZHANJIANG PREFECTURE'S GRAIN PRICES--Since the summer harvest, the grain prices in Zhanjiang Prefecture have generally dropped. The negotiated price of rice sold by the grain shops has dropped from about .38 yuan to about .32 yuan a jin. The paddy price sold by the agricultural trade market is 4 to 5 yuan less than before for a 100 jin. The prices of miscellaneous food grains and beans have also dropped. The prices of grains in Zhanjiang Prefecture have dropped gradually because the policy on making the people get rich which was formulated by the Third Plenary Session of the CPC Central Committee, has been

constantly implemented in the rural areas and because grain production throughout the prefecture has increased year after year as a result of the implementation of the policy. Despite the overcast and rainy weather, weather which we have seldom had, during this year's early rice production, whole prefectures still reaped a bumper grain harvest. Some 493,700 peasant households fulfilled their annual grain procurement quotas in only one cropping season. [Text] [HK141400 Guangzhou Guangdong Provincial Service in Mandarin 1100 GMT 13 Sep 83]

SAFE PESTICIDE DEVELOPED--Beijing, 9 Sep (XINHUA)--A safe and effective pesticide has been developed by Chinese scientists by combining extracts of 40 plants, notably chinaberry trees, according to the ECONOMIC INFORMATION. The ~~new~~ pesticide controls the plant hopper, corn borer, cabbage worm and 11 other insects, destructive to vegetables, agricultural crops and fruit trees. It causes no pollution and is not harmful to the natural enemies of the pests. Zhao Shanjuan, entomologist and insect toxicologist at the South China Agricultural College, Guangdong Province, and his colleagues began research on the pesticide in 1980. They are now studying the insect-killing elements of chinaberry trees. [Text] [OW091330 Beijing XINHUA in English 0753 GMT 9 Sep 83]

CSO: 4007/239

BRIEFS

AGRICULTURAL, INDUSTRIAL FUNDS--The loans issued by agricultural banks and credit cooperatives in Guizhou Province from January to July this year to promote agriculture was approximately 140 million yuan more than in the same period last year. The amount of funds issued by financial departments in the province in the first half of this year to industrial enterprises to tap potential and to carry out technical transformation was 100 percent more than in the same period last year. The amount of summer grain procured in the province by 10 August was 2.8 million jin more than in the corresponding period last year. [Summary] [HK141357 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 7 Sep 83]

CSO: 4007/239

BRIEFS

STATE FARM PRODUCTION--Heilongjiang's reclamation area has fulfilled more than half of its wheat procurement target. By 9 September, it had sold to the state 1.37 billion jin of wheat, 57 percent of its assigned target. [Excerpt] [SK160019 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 10 Sep 83]

WHEAT PROCUREMENT--By the end of September, Hejiang Prefecture, Heilongjiang Province, overfulfilled this year's 132 million jin of wheat procurement task by 1.5 percent. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 13 Sep 83 SK]

HOG PRODUCTION--Due to a failure to implement hog raising policies, such as that on allocation of animal feed plot, a trend of arbitrary slaughter of stud boars and sows has appeared in Heilongjiang. By the end of August, the number of stud boars and sows dropped by 43 and 7.8 percent respectively from those in early this year. Because of this trend, hog production in the province is on the decline. By the end of August, the hogs in stock was 5.4 percent fewer than in early this year. [Summary] [Harbin Heilongjiang Provincial Service in Mandarin 2200 GMT 14 Sep 83 SK]

COMMUNE SYSTEM--Heilongjiang Province basically completed its experimental work on separating government administration from commune management and establishing township governments in the rural areas by early August 1983. Experimental work has been carried out in Lanxi, Tieli, and Sunwu counties and some communes in 69 cities and counties, about 10 percent of the province's total communes. About 9.3 percent of the province's brigades have tried this work. Some 105 townships and 1,300 villagers committees have been established. [Excerpt] [Harbin HEILONGJIANG RIBAO in Chinese 20 Aug 83 p 1 SK]

CSO: 4007/239

BRIEFS

AFFORESTATION BY PLAN--Hubei Province's areas on which tree seeds have been sown by planes this year are 1.73 million mu, of which tree seeds of 1.4 million mu have grown well. They are 1.245 million mu and 1.06 million mu, respectively, more than in 1982. Since 1966, the province has sent planes to sow tree seeds. By the end of last year, the province had sent planes to sow tree seeds on 3.8 million mu. The average amount of investment in a mu of an afforested area is 2.8 yuan. [Summary] [Wuhan Hubei Provincial Service in Mandarin 1100 GMT 25 Aug 83 HK]

CSO: 4007/239

ANTI-FLOOD WORK ALONG YANGTZE DESCRIBED

Flood Characteristics, Problems

Nanjing XINHUA RIBAO in Chinese 16 Jul 83 p 1

[Article: "Changjiang Floods Present Grave Threat; Long-Term Antiflood Preparations Needed"]

[Text] Yesterday the head of the Jiangsu Province antiflood and antidrought command, Chen Ketian, discussed the current antiflood struggle with reporters of this paper. He stated that the danger presented by floods on the Changjiang is grave and that the antiflood struggle will be protracted and arduous, but under the leadership of the party and government, with the large amounts of water conservancy installations built since Liberation, without many years of antiflood experience, and with the support of the PLA, provided that we rely on the masses and pool everyone's wisdom and effort, the Changjiang floods can be defeated.

Comrade Chen Ketian has been in charge of Jiangsu's water conservancy work for more than 30 years. He is fully familiar with water conservancy construction throughout the province and has plentiful experience in leading flood prevention and antiflood efforts. Recently, he has participated unceasingly in provincewide antiflood command work. Yesterday he began by analyzing recent flooding on the Changjiang for the reporters and stated that the characteristics of the current major flood are: thunderstorms over an extensive area, high precipitation intensity, a violent onset of flooding, and simultaneous flooding and waterlogging. Since the beginning of the Plum Rains season, the province has been hit by three large-area thunderstorms, in addition to which there has been continuous thunderstorm activity on the middle Changjiang and in South Anhui and North Zhejiang mountain areas, resulting in a rapid rise of flood waters on the Changjiang's tributaries. The discharge on the Changjiang through this province rose from 50,000 cubic meters per second to 74,500 cubic meters per second in just 3 days, which was 33 days less than the time required for an increase to the same discharge in 1954. In a period of 16 days, the water level at Xianguan, Nanjing rose from 8 meters to 9.99 meters, taking 42 days less than the rise to the same level in 1954. On the 13th, the flood crest along the entire length of the Changjiang in this province exceeded the level at the same period in 1954, and was only between 8 and 23 centimeters lower than the maximum 1954 flood stage, so that it was the second highest flood since Liberation. A large flood passed down the Shuiyangjiang,

a tributary of the Changjiang, and the flood stage at Caocun on its lower reaches in this province reached 12.56 meters on the 15th, exceeding the previous record by 12 centimeters. Taihu Lake was also above the warning stage for a long period; the water level at Xishan reached 4.40 meters, close to the 1954 flood stage. The Changjiang dikes in the province and the lake and river embankments in southern Jiangsu were attacked by flood waters along their entire length; more than 10 million mu of agricultural land was located in the flood region. The floods put pressure on major industrial cities along the river and in the Taihu area such as Nanjing, Zhenjiang, Yangzhou, Changzhou, Wuxi, Suzhou and Nantong; and in the cities of Nanjing, Wuxi and Suzhou alone some 5,000 civilian houses and more than 1,000 plants and warehouses experienced flooding. Wharves along the river and nearby railroads and highways were seriously threatened by the floods, and 1 kilometer of the roadbed of the Longtan section of the Beijing-Shanghai Railway was water-soaked.

Comrade Chen Ketian stated that under the leadership of the party and government, a million troops and civilians along the river and in southern Jiangsu involved themselves in antiflood and drainage work, hastily built up emergency bulwarks and patrolled 1,000 kilometers of river dikes and more than 15,000 kilometers of embankments. More than 3 million cubic meters of antiflood earthworks and more than 400,000 cubic meters of stone installations have been built, and large amounts of hay bales, wood, bamboo, galvanized wire, stone blocks and other antiflood materials have been transported to the front line of flood control work. In addition, more than 1 million horsepower of water removal machinery has been used for continuous removal of standing water. As a result of continuous, arduous effort, the safety of large areas of farmland and most of the embankments was assured. In analyzing future flood tendencies, Comrade Chen pointed out that the Plum Rains have not yet ended on the middle and lower Yangtze, and that this is the rainy season in Sichuan on the upper reaches of the river. Although the flood stage in Nanjing has fallen in the last 2 days because of tides, the flooding season will continue for more than a month; the record flood stage of 1954 occurred in the middle third of August. The low-water level is high on the middle and lower Changjiang, and large amounts of flood water have accumulated in Dingtinghu and Poyanghu lakes. If more thunderstorms occur on the upper and middle Changjiang, major floods exceeding the 1914 levels could occur. If the thunderstorm area extends to the Huaihe valley, there might be simultaneous flooding on the Changjiang and the Huaihe, creating a widespread critical situation. It should be born in mind that the flood discharge on the Changjiang is large and water levels are receding slowly, so that the dikes will be subject to pressure from high water levels for a long period; dangerous situations may still develop, and there is still a danger of breaching of the dikes while the water is receding. This is all the more likely since recently there has been rapid discharge on the tributaries on the middle reaches of the river, while there have not yet been many rainy days in the river area in this province; if there is a simultaneous assault from the tributaries and major thunderstorms, the situation will become even more complex. These characteristics mean that the province's antiflood struggle will be protracted and arduous. The localities must have a clear understanding of this situation and must at all costs not slacken their efforts because of the temporary receding of the flood levels.

Comrade Chen Ketian stated that based on the policies of the CPC province committee and the provincial government, the future antiflood objectives are to assure that the dikes will be safe up to the maximum 1954 flood stage, and to have measures and policies ready if water levels rise above the 1954 level. We must plan on the worst case and strive for the best outcome. All localities must have antiflood measures for protecting against a flood stage of 11 meters in Nanjing (0.78 meters above the maximum 1954 level), and must make maximum efforts to limit damage in case of a very large flood.

Finally, Comrade Chen stated that based on recent antiflood experience, particular attention must be devoted to the following problems.

1. Strengthening leadership of the antiflood struggle. The antiflood leadership mechanism must be strengthened and fully staffed. Particular attention must be given to effective protection of the "nodal areas" of cities and counties; the provincial party committee and provincial government have decided to establish five joint defense headquarters, which must begin work immediately.
2. We must establish a strict antiflood responsibility system, the leadership cadres must be given area-by-area and section-by-section responsibilities, and the flood protection leadership ideology must involve antiflood work and embankment protection along the entire length of the river and must have a strategic focus; both the first and second lines must have protective measures worked out. All dikes must have adequate patrol and emergency squads, and protection and emergency construction must be carried on simultaneously. The breaches of the embankment at Longtan in Jiangning County and of the Sanhe embankment in the factory area of the Nanjing suburbs resulted because the danger was not discovered in time; all localities must keep this lesson in mind.
3. We must wholeheartedly join together and support each other in fighting the floods. The administrative organs, factories and mines, enterprises and service organizations, and communications and transport departments must urgently mobilize their personnel, submit to centralized dispatching by the antiflood command organs, and actively involve themselves in the antiflood struggle.
4. We must strengthen the technical leadership of antiflood activities and emergency work and act in accordance with natural laws. Over many years we have accumulated many successful antiflood and emergency work methods such as raising the dikes in flood periods, adding fill to dikes and reinforcing foundations, cutting flood diversion ditches, use of clay for reinforcement, addition of facings to protect against waves and the like; these techniques should continue to be disseminated and utilized. Older cadres with antiflood experience and familiarity with water conservancy installations should take the initiative in participating in the flood prevention and antiflood struggle and make new contributions to the people.
5. In the past, agricultural fields along rivers and lakes were drained by the units that worked them, but now we must change over to mechanical drainage and concentrate drainage machinery in an effort to make every second count in draining standing water.

6. Transport of antiflood materials must be timely. Experience makes it clear that when large amounts of materials are needed, we must rely on the masses and collect them locally, for if we wait for outside help we will let the critical moment slip. Naturally, the higher levels must provide necessary support, but the materials must be rushed to the front line to assure the needs of emergency operations. Manpower and materials for threatened areas must be made available at the time when they are needed, and the antiflood and emergency flood personnel's fear of difficulties in their rear area must be alleviated.

Preparations for Next Stage Urged

Nanjing XINHUA RIBAO in Chinese 18 Jul 83 p 1

[Article by Commentator: "Summarize Antiflood Experience, Master Antiflood Skills"]

[Text] The second flood crest on the Changjiang has passed and a third is on the way. We must now take advantage of this breathing space to summarize our antiflood experience, strengthen flood protection organization, streamline the training of personnel, and improve our preparations to fight even greater floods.

After more than half a month's unceasing struggle and the labor of the cadres and masses involved in antiflood and drainage work, now that the level of the river has temporarily fallen it is very easy for a mood of slackness to develop. Actually, the current situation is extremely grave. Many of the dangers and hidden problems that emerged in dikes and embankments in the period just past have not been fully eliminated. When dikes have been subject to the pressure of high waters for a long period, they generally develop new hidden problems and dangerous situations. Based on past experience, during when the floods are receding, slumping generally occurs. If the level of the Changjiang exceeds its recent crests, it will be hard for most of the dikes and embankments to withstand the waters. Any slackness of attitude is unacceptable. We must make thorough and effective long-term preparations against a major flood, vigilantly keep track of the flood situation, make a major effort to find endangered installations or sections, eliminate hidden dangers, display a bold, unflagging, militant style, excavate more earth, build the dikes higher, assure that the levels of the dikes are raised as the water rises, and firmly take the initiative in the antiflood struggle.

In this struggle we must lay particular stress on technical training of cadres and masses for antiflood and emergency work. Most of the young and middle-aged cadres and civil engineers were born around or after 1954, and they lack the experience of the struggle against a major flood. Many of the key people in the 1954 antiflood work have already retired or withdrawn to the second line. In addition, the counties under city administration have not been in existence for long, their systems are not stable, new and old institutions are mixed together, and some new leadership personnel have not yet familiarized themselves with the relevant circumstances. Furthermore, under the comprehensive use of the compensation-by-output responsibility system, there is

still a lack of experience in organizing the masses for antiflood work, with the result that in the period just past, when some localities were confronted with the dangerous situation there was a temporary confusion in command and activities were insufficiently forceful. Experience comes from practice. We must master antiflood and emergency work by carrying them out. There is a pressing need to further strengthen the command system, strengthen joint protective efforts, thoroughly utilize older comrades, technical personnel in hydraulic engineering, and people skilled in antiflood and emergency work, and request them to give advice and take part in on-the-spot command and antiflood work. Various types of technical training should be used to make the cadres and masses understand how to reinforce dikes, how to find hidden problems, how to eliminate dangerous situations, how to stop breaches in the dikes, know what sets of tools are needed, and what groups of measures are needed in order to establish a strong combat organization, get it in shape, get it off to a good start, and assure victory in antiflood and emergency work.

The situations and problems that have emerged in the resistance of both banks of the Changjiang to the flood merit the consideration of the north Jiangsu area. Although the thunderstorm area currently is in the Changjiang valley, the storms have been moderate north of the Huaihe and some counties in Xuzhou Prefecture are even experiencing drought, but as the Plum Rains season concludes in the middle and lower Yangtze, the rains may move northward; they must know how to guard against a rapid switch from drought to waterlogging. The Huaihe, Yihe, Shuhe and Sihe river valleys must learn the lessons of antiflood experience on the lower Yangtze and take advantage of the favorable moment to establish effective joint flood protection organizations ahead of time, energetically carry on technical training, carry out advance surveys of flood protection engineering and preparations, eliminate hidden problems and dangerous situations, institute a flood control job responsibility system so that the personnel are in their posts in advance, and make thorough flood protection and antiflood preparations.

Only preparedness provides security. If we make thorough antiflood preparations with regard to ideology, organization, materials and techniques and draw up our ranks to await the danger, we will certainly be able to win new victories in the flood protection and antiflood struggle.

Attention to Antiflood Work, Production

Nanjing XINHUA RIBAO in Chinese 20 Jul 83 p 1

[Article: "Make Efforts in Flood Protection and Antiflood Work and in Current Production"]

[Text] On 19 July the north Jiangsu antiflood conference announced that all localities must conscientiously assimilate the lessons of the recent antiflood struggle along the river and in southern Jiangsu and make an energetic effort in antiflood work and drainage of standing water. The areas along the river and in southern Jiangsu must continue their fight and meet the third Changjiang flood crest head on; northern Jiangsu must increase its vigilance and make effective, thorough preparations to guard against flooding and waterlogging.

The people throughout the province must carry out both antiflood and antiwaterlogging work and strive to overfulfill production targets for autumn-ripening crops, doing everything possible to fight natural disasters and win a bumper harvest.

Head of the provincial antiflood and antidrought command Chen Ketian chaired the meeting, and provincial governor Gu Xiulian and Vice Governor Ling Jihong spoke at it; senior personnel of the weather bureau and office of water conservancy described the weather situation and the recent antiflood work; and senior personnel of six of the antiflood commands of six cities in northern Jiangsu and relevant provincial departments participated.

The middle and lower Changjiang are still in the rain area, while the rainy season has begun in Sichuan on the upper reaches of the river, and the third flood crest at Chongqing has already moved downriver. In the last few days there has been little rain in northern Jiangsu, and drought conditions are continuing in the northern part of the Huaihei area. But starting on 18 July, as the temperate high pressure area intensified, the rain area shifted northward to the Huaihei and Changjiang-Weihe River areas; thunderstorms with 50 mm or more of rain occurred everywhere in the Huaihei area, and Suqian County had more than 90 mm. According to analyses by the meteorological departments, in the last few days the main rain belt has remained steady over the Huaihe, Yihe, Shuhe and Sihe valleys; it will not soon shift north of the Huanghe. The valleys of the Yihe, Shuhe and Sihe and other areas have 200 to 300 more millimeters of rain, the entire province, including the Changjiang, Weihe, Yihe, Shuhe and Sihe Rivers, will be in a state of crisis. The next 2 months is the main typhoon season, and it is possible that we may be hit by typhoons and the heavy rains that accompany them. Therefore, we must not allow the slightest slackness or reliance on luck with regard to flooding and waterlogging: we must closely watch the development of the flood situation and strengthen antiflood and drainage work.

Comrade Gu Xiulian transmitted the view of the leadership of the CPC province committee and the provincial government on recent antiflood and drainage work accompanied by overquota fall harvests. She said that in the period just completed, a million army personnel and civilians along the river and in southern Jiangsu, organized by the party and led by the government, had achieved great achievements in antiflood work and drainage, but some weak points and deficiencies had emerged. All localities must conscientiously summarize the lessons of experience. They must focus on fighting natural disasters and reaping a bumper harvest, and make sure that neither antiflood work nor production is slighted. This year, fall-ripening crops in some areas have been hit by strong tornadoes and flooding, and industrial production too has run into some new problems. The localities must mobilize all of the cadres and masses, plan for the worst case and strive for the best outcome, actively involve themselves in the antiflood and antiwaterlogging struggle, and do conscientious, effective work in current industrial and agricultural production. Leadership comrades at all levels must personally investigate endangered industries and sections, and must make a major effort on the weak links, with measures implemented at all levels.

The comrades present at the meeting concluded that the current stage of the antiflood struggle has produced the following experiences. 1) Responsible personnel in party committees and government organizations at all levels must go to the front line to lead the struggle. The provincial party committee and provincial government have frequently made special studies of the antiflood work, have made a timely analysis of the flood conditions, and have formulated their plans, and leadership comrades have gone to the front line to investigate leadership work. Responsible comrades at the city and county level have instituted area-by-area and project-by-project performance contracting responsibility systems. 2) Consolidating the antiflood engineering project base. Many of Jiangsu Province's river dikes and port embankments and most of its other embankments have been strengthened in keeping with the standards of protection against a flood of 1954 magnitude, and the main water approaches to the Changjiang have had dams built for control, while some water diversion and drainage channels have been repaired and large numbers of irrigation and drainage machinery have been added, laying a solid material basis for conquering flooding and waterlogging. 3) Early and effective flood protection work. A flood protection congress was held in March in this province. It specified the guiding ideology for fighting natural disasters and multiple natural disasters and issued the slogan of "protecting safety, protecting water sources, and protecting the bumper harvest," and all localities made a series of preparations in terms of ideology, organization, projects and materials. 4) Self-reliance and thorough reliance on the strength of the masses. The broad masses are actively participating in antiflood work, and many commune members have taken the initiative in providing hay bales, reeds and brush, posts and other antiflood materials, while some have contributed lumber and stone blocks that were intended for houses or have even torn down houses to use the earth of which they were made. 5) Close coordination of all branches in the struggle. The PLA in particular has provided great support and has been present wherever there was danger. Its commanders have been struggling wherever difficulties occurred, making a great contribution.

The conference reached the following conclusions.

1. We must establish a firm long-term antiflood and antimajor flood ideology.

Currently the areas along the river and in southern Jiangsu are suffering from two kinds of fatigue: human fatigue and the fatigue of the dikes which have undergone prolonged soaking. These present a danger. We must prevent any attitude of slackness, and we must not only make good preparations for meeting the third flood crest on the Changjiang, but must also be aware of the fact that the water levels recede slowly on the Changjiang and Taihu Lake and make preparations for long-term antiflood work. Northern Jiangsu must recall the lessons of 1965, when thunderstorms produced a rapid alternation between drought and waterlogging, and "one day we complained that there was too little rain, the next day there was just enough, and the day after it was a disaster," and must make thorough preparations to deal with flooding and waterlogging so as to avoid being caught unawares.

2. Further strengthening and increasing the effectiveness of antiflood organizations.

The conference decided to establish several joint flood protection organs in northern Jiangsu. In addition it requested that all localities carry on effective basic-level flood protection organization, effectively organizing patrols, emergency teams and second-echelon forces. The forward area and the rear must be divided into two lines for battle, each having persons especially entrusted with responsibility for providing rear services and assuring that the front line has no worries about its rear. Older comrades who have withdrawn to the second and third echelons must be asked to participate in and guide the antiflood struggle.

3. Effective strategic antiflood dispositions and securing of the key points.

All localities must strengthen their protection of certain key dikes and large and medium-size reservoirs and assure their safety. If a dangerous situation arises, they must carry out central dispatching and concentrate their forces to assure that emergency needs are met.

4. Make every second count and carry out engineering work rapidly.

The areas along the river and in southern Jiangsu must make effective use of the breathing space between flood crests on the Changjiang to rapidly carry out earth construction and strengthen endangered sections. Northern Jiangsu must take advantage of the period before flooding and waterlogging to carry out effective preparations for antiflood and antiwaterlogging work. All localities must mobilize the masses, emphasize stocktaking of their capabilities, and provide voluntary labor.

5. Strengthen technical guidance of flood protection and emergency work.

The water conservancy departments must dispatch technical personnel to the front line to strengthen technical guidance and carry out short-term technical training. They must make every second count in effectively consolidating the flood protection and emergency ranks and improving the technical standards of flood protection and emergency work.

6. All branches must continue to coordinate their struggle.

Time to apply and transport of flood protection materials must be assured. Uninterrupted telecommunications and other communications must be assured. The masses who have suffered from flooding or are refugees must be suitably cared for. The medical and public health departments must provide front-line antiflood services. Public security work must be strengthened and bad elements that take advantage of the flood for looting must be dealt with sternly. Victory in the battle against flooding and waterlogging must be assured.

BRIEFS

GRASSLAND CONSTRUCTION--Baicheng Prefecture, Jilin Province, has paid attention to building grassland for many years. The prefecture now has built 4.43 million mu of artificial grassland. The number of draft animals in stock is 750,000 head, an increase of 4 percent over 1977, and the number of sheep in stock is 1.14 million head, an increase of 40.7 percent over 1977. Total output value in animal husbandry has increased by 5.7 percent over 1977. In the first half of the year, the prefecture slaughtered a total of 45,000 head of cattle and sold 3 million jin of milk, 15,000 head of sheep, and 4.8 million jin of sheep wool. [Summary] (Changchun Jilin Provincial Service in Mandarin 1030 GMT 12 Sep 83 SK)

CSO: 4007/239

LIAONING

BRIEFS

COTTON PRODUCTION--Liaoning Province expects to reap the best cotton harvest in 10 years. The province planted 780,000 mu of cotton this year, 60,000 mu more than last year. Ginned cotton production is estimated to exceed 730,000 dan. [Summary] [Shenyang Liaoning Provincial Service in Mandarin 1100 GMT 8 Sep 83 SK]

CSO: 4007/239

BRIEFS

AFFORESTATION--Nei Monggol Region has basically finished the afforestation task in the rainy season. By the end of August, the region afforested 1.836 million mu in the rainy season, an increase of 89.3 percent over the corresponding 1982 period. In Horinger County, 220,000 mu of land were afforested in the rainy season, a record high. According to statistics, eight leagues, and cities in the region have overfulfilled the annual afforestation task. [Summary] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 14 Sep 83 SK]

CSO: 4006/239

CONFERENCE ON AGRICULTURAL PRODUCTION

HK130214 Xining Qinghai Provincial Service in Mandarin 1100 GMT 11 Sep 83

[Summary] Yesterday evening, the Qinghai Provincial People's Government held a telephone conference. Governor Huang Jingbo and Vice Governor Ga Bulong spoke. They demanded: "All rural and pastoral areas throughout the province must further do well in grasping current agricultural and livestock production and diversification and make good preparations for next year's production."

In his speech, Ga Bulong analyzed the current situation in agricultural and livestock production. He said that the situation in agricultural and livestock production throughout the province this year is as good as and even better than last year. The number of young livestock this year is 300,000 head more than last year. The number of dead livestock is 250,000 head less than last year. The provincial government has demanded that all places should continue to perfect the agricultural and livestock production responsibility system. Before the end of this year, the province must sign contracts with commune members for developing all uncultivated mountains and slopes.

Ga Bulong said: "The provincial government is prepared to hold a work conference on diversification. All places must clearly investigate the resources for developing diversification and vigorously help and develop major households and specialized households in diversification. At present, it is mainly necessary to solve the problem of processing fodder, to develop the channels of circulation, and to give technical assistance to major households and specialized households."

In conclusion, Ga Bulong demanded that leaders at all levels should arouse their spirit, go deep into grassroots units, and contribute toward exploiting Qinghai.

In his speech, Governor Huang Jingbo emphasized that the whole province should study well the "Selected Works of Deng Xiaoping" and Secretary General Hu Yaobang's speech delivered in the province. He also demanded: "While stepping up agricultural and livestock production this year, all places should make good preparations for next year's production. In the course of developing diversification, they must pay attention to exploiting and utilizing the resources of wild animals and wild plants."

BRIEFS

WOOL RESOURCES MEETING--The report meeting of nine provinces and autonomous regions on the investigation of wool resources was held in Xining City in Qinghai Province from 22 to 28 August. The meeting pointed out that current wool resources in our country are far from meeting the needs of the development of the wool textile industry. To change this situation, it is necessary to take effective measures to greatly develop sheep-breeding and wool production. The General Bank of the People's Construction Bank of China entrusted the Qinghai branch bank to hold this meeting. Representatives from nine provinces and autonomous regions, including Nei Monggol, Xinjiang, Qinghai, Ningxia, Gansu, Shaanxi, Sichuan, Henan, and Heilongjiang, attended this meeting. [Summary] [HK 021422 Xining Qinghai Provincial Service in Mandarin 1100 GMT 29 Aug 83]

CSO: 4006/239

BRIEFS

SPECIALIZED, KEY HOUSEHOLDS--By the end of June this year, Shandong's specialized and key households had increased to 3.359 million, accounting for 20.9 percent of the total number of peasants households. According to statistics compiled by Weifang, Taian, Linyi, Liaocheng, Heze, Himin, Jinan, and Qingdao prefectures and cities, 24 percent of their specialized and key households are engaged in the planting industry, 28 percent in the breeding industry, 27 percent in industrial sideline production, 8 percent in catering and service trades, and 13 percent in other production. [Excerpt] [SK101220 Jinan DAZHONG RIBAO in Chinese 26 Aug 83 p 1]

GINNED COTTON PRODUCTION--Shandong Province planted 21 million mu of cotton this year. The masses of cotton growers are vigorously selling cotton to the state. By 10 September, the province had procured 922,000 dan, 8.9 times that of the corresponding 1982 period. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Sep 83 SK]

SUMMER GRAIN--Shandong Province has set an all-time record in procurement of summer grain. By 1 August, it had procured 4.266 billion jin of summer grain, overfulfilling by 31.6 percent state-assigned summer grain procurement quota and exceeding last year's figure for the same period by 1.507 billion jin. [Excerpt] [SK030318 Jinan Shandong Provincial Service in Mandarin 2300 GMT 15 Aug 83]

GRAIN, OIL-BEARING SEEDS--Shandong Province procured at a negotiated price some 977 million jin of grain, an increase of 500 million jin over the corresponding period last year, and 21 million jin of oil-bearing seeds in the first 6 months of 1983. It also sold at a negotiated price some 649 million jin of grain and 25 million jin of edible oil. It bought in 350 million jin of grain from other provinces and sold them to the people at state fixed prices, exported 216 million jin of corn, dried melons, flour, and other bean products and imported 184 million tons of rice and millet in the first half of 1983. [Summary] [SK050238 Jinan DAZHONG RIBAO in Chinese 15 Aug 83 p 1]

CSO: 4007/239

NATIONALITIES COMMITTEE DISCUSSES MOUNTAIN AREAS

HK151229 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 14 Sep 83

[Text] On 11 September, the nationalities affairs committee of the Sixth Yunnan Provincial People's Congress held its second meeting in Kunming to discuss the issue of strengthening the building of the nationality mountainous areas in the inland. Wang Lianfang, vice chairman of the provincial people's congress standing committee, presided over this meeting. (Fan Wen), vice chairman of the nationalities affairs committee, made a report on the situation in the progress of several main items of work for the second half of this year.

The meeting held: The mountainous areas in our province account for over 90 percent of the total area of the whole province. Strengthening mountainous area work, particularly nationality mountainous area work, is an important component part of the development of our province's national economy as a whole. Wholeheartedly helping nationality mountainous areas develop the building of the economy and culture is our party's consistent policy.

Committee members pointed out: In accordance with the strategic measures of the CPC Central Committee, we must make proper arrangements in the plans for the national economy and social development so that we can, under the guidance and with the assistance of the state plans, develop the building of our province's nationality mountainous areas in a planned and systematic way.

Committee members suggested: Before the end of this year, in coordination with relevant departments at the provincial level, we must conduct several discussions, adopt a special policy, and take vigorous measures to promote the economic prosperity and to enhance the people's living standard in the nationality mountainous areas.

The meeting also discussed the issue of the regulations concerning autonomy formulated for the nationality autonomous areas and the specific regulations formulated for some autonomous prefectures and autonomous counties.

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